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COMPENDIUM

AND

BRIEF HISTORY OF TAXATION

IN PENNSYLVANIA,

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COMPENDIUM

AND

BRIEF HISTORY OF TAXATION

IN PENNSYLVANIA,

WITH

STATISTICS OF THE PUBLIC DEBT AND FINANCES; FACTS RELATING TO THE AUDITOR GENERAL'S DEPARTMENT; RECEIPTS AND DISBURSEMENTS; REFERENCES TO LAWS AND DECISIONS UNDER WHICH REVENUES ARE COLLECTED IN PENNSYLVANIA AS WELL AS IN OTHER STATES.

ARRANGED BY
W. P. SNYDER, AUDITOR GENERAL,
1906.

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PREFACE.

Every Government must provide by taxation for the general expenses and for the cost of other public necessities. This burden is imposed upon the people, who are called upon to contribute a fair, just and equal amount for that purpose.

Taxation is a subject, therefore, in which all are interested. But few are familiar with the laws imposing the burden, the different subjects taxed, nor the purpose for which the Revenues are collected and disbursed.

The purpose of the Department in preparing this volume is to present, in a general way, for the information of the public, an outline only of the system of taxation in Pennsylvania and the results of its operation, for the purpose of comparison with the systems of other states.

Inquiries are frequent from other states and from taxpayers and others in this, for information in reference to our tax system and its operation. To write replies would be impossible; hence the publication of this data.

The volume contains a brief review of the history, operations and duties of the Accounting Department, and the Revenues of the Commonwealth; certain Acts of Assembly imposing taxes upon the principal subjects of taxation, with an explanation of their provisions, and a limited number of citations from opinions of the courts construing them; statistics relating to taxation in this State and statements showing briefly the general laws of this and forty-five other states under which taxes are assessed and collected, with amounts and sources from which received and the amount and purpose for which disbursed, with other valuable information, arranged in such form as to be readily understood.

It would be impossible to give all the Acts of Assembly of Pennsylvania and decisions of the different courts construing them, or even abstracts of all. They are so numerous as to preclude it. Instead, the most important Acts and brief citations from the opinions construing them are presented. A complete review of all the laws relating to the subjects mentioned, many of which alone would fill a volume, is not intended. What follows, therefore, should be treated as an outline or general review of the Revenue System of Pennsylvania. Many sources of revenue are not mentioned, because of the small amount received; to include them would take up more space than is warranted.

The tabulated statements in Parts 2, 3 and 4 have been prepared from the latest official reports available, and contain much valuable information in reference to taxation.

Part 4 contains brief extracts from the laws of forty-five states in reference to taxation, with statements showing the sources and amount of revenue in each, with the amount and purpose for which expended, and other information of interest, valuable for purposes of comparison.

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(3). Creating the office of Register General (Act of March 28, 1789).

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PART I.

CONTAINING A SUMMARY OF THE EARLY HISTORY AND OPERATIONS AND ACTS OF ASSEMBLY RELATING TO THE AUDITOR GENERAL'S DEPARTMENT, SHOWING ORIGIN OF THE REVENUE SYSTEM—THE DEBT FROM 1826 TO DATE—FORMATION OF SINKING FUND—COMPARATIVE STATEMENT OF RECEIPTS AND EXPENDITURES IN 1880 AND 1905—NAMES OF COMPTROLLERS GENERAL, REGISTERS GENERAL, AND AUDITORS GENERAL FROM 1782 TO 1905—STATE TREASURERS SINCE 1777—POWERS AND DUTIES OF THE AUDITOR GENERAL—STATISTICS CONCERNING THE REVENUES AND EXPENDITURES OF THE COMMONWEALTH FROM 1826 TO 1845, AND OTHER INFORMATION, WHICH, IT IS BELIEVED, WILL PROVE TO BE INTERESTING TO EVERY TAXPAYER IN THIS, AND OTHER STATES, AND TO THOSE WHO ARE INTERESTED IN THE SUBJECT OF STATE TAXATION FROM AN ECONOMIC STANDPOINT. THE FACTS HEREIN PRESENTED HAVE BEEN COLLECTED AND ARRANGED FOR THE INFORMATION OF THE GENERAL PUBLIC, AND ARE NOT INTENDED TO BE A COMPLETE OR EXHAUSTIVE DISCUSSION OF THE VARIOUS SUBJECTS MENTIONED.

ACCOUNTING DEPARTMENT.

Public Accounts.

An Act to compel the settlement of the Public Accounts was passed Sept. 2, 1778, Chap. 806, and provided, inter alia:

"Whereas in the course of the present contest between the inhabitants of the United States and Great Britain, very large and great expenditures and advances of public money have been made by the good people of Pennsylvania in the common cause:"

"And Whereas, Many of the persons to whom such advances of money have been made, regardless of the public welfare as well as of their own credit and character, have refused and neglected to exhibit their accounts and vouchers and to settle their accounts, after repeated calls have been made upon such defaulters * * *"

"And Whereas, It is highly necessary as well for ascertaining and settling accounts of expenditures made before the Revolution and since, at the request of the Honorable Congress of the United States of America" * * *, and it was enacted; "that Joseph Dean, John Purviance and Samuel Miles, of the City and County of Philadelphia, Esquires, are hereby appointed Auditors with full power to collect, audit, liquidate, adjust and settle the accounts of the late Committee of Safety and the Council of Safety of Pennsylvania, who ceased to act in March, 1877, and all others, * * * and that if it shall appear to the Supreme Executive Council of the State, to be useful for the advancement of

this necessary business and the ease of the persons accountable before said Auditors, who reside at a great distance from the said city, the said Council may direct the said Auditors to give their attendance at one or more places within the State on the western side of the River Susquehanna and at two or more several places other than the said City, eastward of the said river, to settle the accounts of such persons who dwell remote, * * * and that nothing herein shall prevent the settlement of the following accounts before the Committee of Accounts appointed annually by the House of Assembly, to-wit: Accounts of State Treasurer, General Loan Office, Light House Rates, and duties on Slaves * * * ."

On April 13, 1782, an Act was approved, entitled "An Act for methodizing the Department of Accounts of this Commonwealth, and for the more effectual settlement of the same." Many of the provisions of that Act are of interest and extracts are here given:

"Whereas, the methods heretofore practiced for the settlement of the accounts of the State have, by experience, been found not to answer the good purposes intended thereby, For Remedy Whereof;

"Be It Enacted, by the Representatives of the Freemen of the Commonwealth of Pennsylvania in General Assembly met, and by the authority of the same; That an office shall be instituted in this Commonwealth for auditing, liquidating and adjusting all the accounts thereof, and that the same shall be established and kept at the place where the General Assembly of the State shall hold their Sessions, to be styled 'The Comptroller General's Office,' and that a person of known integrity, diligence and capacity be appointed to execute and perform the duties of said office by the name of 'The Comptroller General.' "

He was given the authority to examine all accounts, call witnesses, etc., to settle and collect accounts of long standing and take the most effectual steps for speedy recovery of the same, and with all dispatch, direct the Prothonotary of the County wherein the debtor abode to issue process commanding the Sheriff or Coroner to summon such person to appear within 3 months before the Comptroller General; * * * and to call before him as often as necessary, by subpoena or summons, witnesses; and in case of refusal to appear, to issue a writ of attachment, and commit such delinquent to the common gaol of the county, to be holden until he comply with the Comptroller General and directions of the Act; the Act to be publicly read in every Court of Oyer and Terminer and of Quarter Sessions of the Peace between the first day of May and the first day of January next, during which all other business shall cease, * * * And that the salary of the Comptroller General shall be the sum of 500 pounds per annum, payable in quarterly payments, by warrants drawn on the Treasurer by the President or Vice-President in Council, and that he give bond in the sum of five thousand pounds ($25,000).

The Comptroller General subscribed to the following oath: "I do solmenly swear or affirm that I will faithfully execute the office of Comptroller General for the Commonwealth of Pennsylvania and

will do equal rights and justice to all men to the best of my judgment and abilities, according to law and equity."

And in Sec. 22, it is provided "that John Nicholson, be and he is hereby appointed Comptroller General for the time being."

This Act is recorded in L. B. No. 1, p. 508, &c. (Acts upon the subject: Sept. 20, 1782, Chap. 988; Feb. 18, 1785, Chap, 1133; Apr. 4, 1785, Chap. 1158; Mar. 24, 1786, Chap. 1218.)

It repeals certain Acts, viz: Mar. 1, 1780, Chap. 882, and a supplement to that Act passed May 30, 1780, Chap. 909.

In 1789, March 28th, an Act was passed establishing the office of Register General, and the Controller General was required to submit all adjusted accounts, before finally settling the same, * * * "to the inspection and examination of the Register General, and take his advice and assistance in settling accounts."

Subsequently the Legislature required all public accounts to be submitted to, and in the first instance examined, liquidated, and adjusted by the Register General, and such accounts were to be transmitted to the Controller General.

Both the offices of the Register General and Controller General were abolished by an Act of Assembly dated March 17, 1809, P. L. 71, which, inter alia, enacted:

"That from and after the first of May next, there shall be appointed an officer to be called the Auditor General, who shall be invested with all the powers now possessed by the Register General and shall perform all the duties, etc.," giving him authority to draw warrants upon the State Treasurer and imposing other duties. They were appointed until 1851.

Two years after the creation of the Office of Auditor General, the Legislature passed an Act in reference to the adjustment of accounts and other matters, and many of its provisions are in force at the present time, remarkable as it may appear.

This Act was approved March 30, 1811, P. L. 145, and provided for the auditing and adjustment of Public Accounts, and required the Auditor General to first audit the Public Accounts and then transmit them to the State Treasurer, who was invested with powers similar to those vested in the Auditor General. If the accounts were approved by the State Treasurer, they were to be returned to the Auditor General. If he did not approve them, the objections with the account were to be submitted to the Governor for final decision.

When the Auditor General and State Treasurer settle State taxes against a taxpayer, and the taxes assessed have been paid, the account, except as to clerical mistakes, is closed after the lapse of a year from the time of such payment and can then be re-opened only

by an order of the Board of Accounts. This Board was created by the Act of April 8, 1869, P. L. 19, and consists of the Auditor General, State Treasurer and Attorney General.

For the purpose of information and comparison with the present condition of the finances of the State, the following brief statement is presented, showing conditions.

From 1830 to 1853 was a period in the financial affairs of the Commonwealth during which it defaulted in the payment of the interest upon its debt, and was driven to the last extremity in raising revenue.

In 1831 its funded debt was $12,512,520, and the interest amounted to $616,850. That year the balance of the revenue, after paying the ordinary expenses of the State Government was, $420,000, leaving a deficiency in the interest account of $191,850. Nine years afterward, in 1839, the debt had grown to $32,077,518, most of which had been paid to the Commissioners of Public Works. The following year it was $36,000,000. The resources of the Treasury were totally inadequate to meet the demands upon it, and it became necessary to dispose of the securities owned by the State, stocks in various banks and corporations and they were sold at a heavy loss.

The principal operations of the State Treasury for the 18 years prior to 1844 are shown in the following statement, viz:

Revenue for 18 Years.		Expenditures for 18 Years.	
Licenses,	$4,078,023	Government State,	$4,650,393
Taxes,	4,421,562	Loans paid,	4,010,719
Premiums bank charter,	3,658,193	Militia and pensions,	1,164,227
From United States,	2,867,514	Schools,	2,620,375
Dividend on State stocks,	2,691,774	Education and charities,	647,779
Canal and railroad tolls,	9,286,644	Penitentiaries,	879,950
Other revenue,	2,416,188	Domestic credit,	1,470,826
		Relief notes,	568,000
From—	$29,420,502	Other expenditures,	1,415,488
			$17,307,761
Loans and premiums,	43,400,781	Sub. turnpike stock,	1,842,414
Sale of investments,	1,395,411	Public works,	55,066,519
	$74,216,694		$74,216,694

During this period of eighteen years, 58.6 per cent. of the State's revenue was derived from borrowed money and only 11.4 per cent. from taxation. Of the total receipts, 76 per cent. was expended to pay for the Public Works. This was the condition of the Treasury in 1844.

The next year the payment of interest was resumed upon the debt, which was at that time upwards of 40,500,000. From that time to the present the State has never defaulted in the payment of any principal or interest.

During the period referred to, certificates for the payment of interest on the debt had been issued in 1842, 1843 and 1844; those of

1842-3 bore 6 per cent. interest, and of 1844, 5 per cent. On April 16, 1845, the Governor was authorized to issue new stock, maturing in 1855, at the rate of 5 per cent. to all certificate holders who wished to exchange. The unpaid interest on the old certificates was computed at 4½ per cent., which was added to the principal and new stock was issued for the total amount. The old certificates to the amount of $2,481,396.77 were delivered up for exchange. Of this transaction, John M. Wallace, author of "Pennsylvania as a Borrower," said: "Failing to pay interest on money borrowed, she gave bonds for that interest, promising to pay the old interest at a fixed date, and to pay five or six per cent. interest on the interest already over due. She did neither. She compelled a surrender of the contracts and their evidences, and then forced the holders to take 4½ per cent. interest. It can never be spoken of otherwise than as an 'Act of Repudiation' by those who speak of it at all. It is a damned spot, and all the perfumes of Arabia will not sweeten the honor of this Commonwealth."

The State Treasurer defended the action of the State and gave his reasons. The fact appears to have been that it was owing to bad management and a dislike on the part of the people to taxation, that the State was unable to meet its interest, except by the issue of stock and it has often been claimed, in explanation, that the issue of the original interest certificates was in recognition of the claims of contractors and workmen, before those of the certificate holders.

Up to 1849 the State debt had only been reduced $475,000; but the revenues were increasing so rapidly that by Act of 1849, P. L. 572, a Sinking Fund was established. The Commissioners of this fund were authorized to apply certain revenues to the decrease of the State debt. The first tax devoted to this purpose, was the collateral inheritance tax, then tax on theatres and various licenses. By Act of 1858, P. L. 468, a new Sinking Fund law was passed, and the following revenues were devoted to that fund, viz: Tax on all bank dividends and bank charters; corporations; licenses; auction commissions and duties; wills, writs, deeds, etc.; public officers and others; foreign insurance agencies; enrollment of laws; sale of pamphlet laws; fines, forfeitures and penalties; public lands; militia tax; millers; moneys at interest; tonnage; escheats; collateral inheritances; accrued interest; refunded cash; gifts; grants and bequests.

These included all the principal sources of revenue except tax on real and personal property, which latter was reserved to meet the current expenses of the Commonwealth.

The Sinking Fund was made permanent by the Constitution of 1873, Art. IX, Sec. 2. Since that time the Sinking Fund has pro-

vided for the payment of the outstanding debt, until at the present time the actual debt is less than $125,000.

Prior to 1829 all warrants for the payment of money by the State Treasurer were drawn and the receipts countersigned by the Auditor General, with the exception of a few signed by the Speakers of the two Houses for wages of Members and incidental expenses.

From 1811 to 1829 the duties and powers of the Auditor General were unchanged, except that the Act of March 27, 1821 (8 Smith's Laws, 267) made the Auditor General, Escheator General, with power to appoint a deputy. In 1829 the Legislature by Act, P. L. 353, gave the Governor authority to draw warrants on the Treasury to pay the salaries of the officers of the Eastern and Western Penitentiaries, and his authority was afterward extended to charitable institutions, hospitals, Middle Penitentiary and military expenses. This authority was subsequently limited.

The encroachments upon the duties which originally and of right belonged to the Auditor General, commenced with the foregoing Act, and since have been extended so that at the present time seven persons exercise the right to draw warrants upon the Treasury, viz: Governor, Secretary of the Commonwealth, Adjutant General, Superintendent of Public Instruction, State Commissioner of Highways, Banking Commissioner, Auditor General.

The report of Auditor General Schell, for the year 1880, contained much valuable information in reference to the early revenues of the Commonwealth, prepared by B. M. Nead, Esq., of Harrisburg, then connected with the Department, and from which I have obtained certain data, used in the preparation of this volume. A reference to the report of the Auditor General for the year 1880 shows the primitive condition of the accounting department at that period as compared with the present. As an example, this statement is shown:

"The papers and records in the Department have been systematically arranged in cases, the cases have been marked, and 'an index' of the cases and contents have been prepared and transcribed into 'a book' called the 'Official Index,' a reference to which will greatly facilitate the business of the office."

At that time the total number of corporations reporting was about 3,000, and the number of blanks for reports and instructions sent to them about 10,000. At the present time the number of corporations, with active accounts, upon our books, exceeds 25,000, and it requires the mailing of upwards of 200,000 blanks each year. The accounts necessary to be kept fill some seventy-five ledgers and many other records. This statement is made without reference to the accounts required to be kept of transactions with county officers and others, where the increase is quite as great.

The wonderful increase in revenue collected and disbursed in the years 1880 and 1905 is shown by the following comparative statement:

Sources.	Revenue.	
	1880.	1905.
From:		
National banks,	$339,559	$747,197
State banks,	.....	99,237
Incorp. savings institutions,	.....	52,866
Building and loan,	.....	12,371
Interest on State deposits,	.....	274,157
Foreign insurance company premiums,	196,743	1,187,425
Tax on capital stock,	1,351,868	8,927,649
Tax on corporate loans,	300,453	1,662,085
Tax on gross receipts,	656,025	1,186,461
Tax on gross premiums, insurance companies (domestic),	36,861	106,106
Bonus on charters,	34,663	915,892
Tax on personal property,	423,676	3,446,906
Tax on writs, wills, etc.,	104,371	190,654
Tax on collateral inheritances,	605,441	1,677,185
Tax on loans, county,	.....	169,917
Tax on loans, municipal,	.....	101,629
Pamphlet laws,	172	222
Notary commissions,	6,575	43,775
Receipts from Licenses:		
Retail mercantile,	$970,410	$680,817
Wholesale mercantile,		259,751
Retail liquor,		617,912
Wholesale liquor,		665,429
Brewers,		274,104
Distillers,		55,619
Bottlers,		89,241
Billiard,		91,773
Brokers,		45,143
Auctioneers,		15,043
Peddlers,		6,565
Theatre,		21,556
Eating house,		32,960
Oleomargarine license,	.....	26,707
Butter licenses,	.....	4,825
Fishing licenses,	.....	3,032
Hunting licenses,	.....	1,024
Other Sources:		
Land office,	2,839	2,312
Auctioneers' commissions,	6,343	.....
Dividends on stocks,	40	.....
Tax on coal,	811,139	.....
Tax on tonnage,	460,000	.....
Tax on net earnings,	57,403	41,597
Escheats,	2,158	16,422
Office license fees,	3,041	.....
Fees, State officers,	.....	213,520
Annuity, right of way,	10,000	10,000
Miscellaneous,	346,554	292,067
Total revenue,	$6,720,334	$24,269,120

DISBURSEMENTS.

Purpose.	1880	1905.
Legislative,	$39,043	$593,322
Judiciary,	452,590	1,098,150
Departments, boards, etc.,	197,101	6,133,945
Charities,	.....	4,454,500
Education,	3,202,087	8,600,264
Military,	283,755	377,680
Penitentiaries, etc.,	296,225	454,681
Pensions and gratuities,	23,838	4,164
Public printing,	238,699	383,757
Personal property tax returned to counties,	.....	2,553,392
Foreign fire insurance premiums returned,	.....	113,418
Purchase of lands for forestry reservations,	.....	231,939
Rebuilding county bridges,	.....	879,738
Constructing new capitol,	.....	1,045,000
Commissions to erect hospitals, etc.,	28,373	262,972
Miscellaneous general,	2,066,408	376,040
	$6,820,119	$27,562,962

The Auditing Department of the Commonwealth since 1782 has been filled by the following:

COMPTROLLERS GENERAL.

John Nicholson, ...1782-1794.
John Donaldson, ...1794-1801.
Samuel Bryan, ...1801-1805.
George Duffield, ...1805-1809.

REGISTERS GENERAL.

John Donaldson, ...1789-1794.
Jonathan B. Smith, ...1794-1795.
Samuel Bryan, ...1795-1801.
George Duffield, ...1801-1805.
John Kean, ...1805-1808.
Richard M. Crain, ...1808-1809.

AUDITORS GENERAL.

(Appointed by the Governor.)

George Bryan, ...1809-1821.
James Duncan, ...1821-1824.
David Mann, ...1824-1830.
Daniel Sturgeon, ...1830-1836.
Nathaniel P. Hobart, ...1836-1839.
George R. Espy, ...1839-1842.
William F. Packer, ...1842-1845.
John N. Purviance, ...1845-1851.

(Elected by the People.)

Ephraim Banks, ...1851-1857.
Jacob Fry, Jr., ...1857-1860.
Thomas E. Cochran, ...1860-1863.
Isaac Slenker, ...1863-1866.
John F. Hartranft, ...1866-1869.
John F. Hartranft (Appointed), ...1869-1872.
Harrison Allen, ...1872-1875.

Justus F. Temple, ...1875-1878.
Wm. P. Schell, ...1878-1881.
John A. Lemon, ...1881-1884.
Jerome B. Niles, ...1884-1887.
A. Wilson Norris, ...1887-1888.
Thomas McCamant, ...1888-1892.
D. McM. Gregg, ...1892-1895.
Amos H. Mylin, ...1895-1898.
Levi G. McCauley, ...1898-1901.
E. B. Hardenbergh, ...1901-1904.
W. P. Snyder, ...1904-1907.

And the following:

STATE TREASURERS.

(Elected by the Legislature.)

David Rittenhouse, ...1777-1795.
Christian Febiger, ...1795-1797.
Peter Baynton, ...1797-1801.
Jacob Carpenter, ...1801-1802.
Isaac Weaver, ...1802-1806.
Andrew Gregg, ...1806-1807.
William Findlay, ...1807-1817.
Richard M. Crain, ...1817-1820.
John B. Trevor, ...1820-1821.
William Clark, ...1821-1827.
Alexander Mahon, ...1827-1835.
Joseph Lawrence, ...1835-1836.
Daniel Sturgeon, ...1836-1840.
Almon H. Reed, ...1840-1841.
John Gilmore, ...1841-1842.
Job Mann, ...1842-1845.
James Ross Snowden, ...1845-1847.
John Banks, ...1847-1848.
Arnold Plumer, ...1848-1849.
Gideon J. Ball, ...1849-1850.
John M. Bickel, ...1850-1854.
Joseph Bailey, ...1854-1855.
Eli Slifer, ...1855-1856.
Henry S. Magraw, ...1856-1859.
Eli Slifer, ...1859-1861.
Henry D. Moore, ...1861-1863.
William V. McGrath, ...1863-1864.
Henry D. Moore, ...1864-1865.
William H. Kemble, ...1865-1868.
W. W. Irwin, ...1868-1869.
Robert W. Mackey, ...1869-1870.
W. W. Irwin, ...1870-1871.
Robert W. Mackey, ...1871-1874.

Prior to the adoption of the present Constitution in 1874 the State Treasurers of the Commonwealth were chosen by the Legislature. The following State Treasurers have been elected by the people:

Robert W. Mackey,	1874-1876.
Henry Rawle,	1876-1878.
Amos C. Noyes,	1878-1880.
Samuel Butler,	1880-1882.
Silas M. Bailey,	1882-1884.
Wm. Livsey,	1884-1886.
M. S. Quay,	1886-1887.
Wm. Livsey,	1887-1888.
Wm. B. Hart,	1888-1889.
Wm. Livsey,	1889-1890.
Henry K. Boyer,	1890-1892.
John W. Morrison,	1892-1894.
Sam'l M. Jackson,	1894-1896.
B. J. Haywood,	1896-1898.
James S. Beacom,	1898-1900.
James E. Barnett,	1900-1902.
Frank G. Harris,	1902-1904.
W. L. Mathues,	1904-1906.
W. H. Berry,	1906-1908.

POWERS AND DUTIES OF THE AUDITOR GENERAL.

The Auditor General is elected by the people, at a general election, every third year, and serves for three years from the first Tuesday of May next succeeding his election. He gives a bond to the Commonwealth in the sum of $5,000. He appoints a deputy who performs the duties of the Auditor General during his absence or inability, or, in case of vacancy, until a successor is duly qualified. The deputy gives a bond in the sum of $10,000. The duties of the Auditor General are generally to examine and settle all accounts between the Commonwealth and any person, officer, department, association or corporation. He examines annually the condition of the State Treasury, and is required to publish in six newspapers through the State the monthly statement of the State Treasurer showing the condition of the general fund remaining in the State Treasury and the Sinking Fund.

The Auditor General's powers in relation to accounts coming before him are very broad. He can compel the attendance of all persons, and of such witnesses as he deems proper, and examine them under oath, and compel the production of all books, papers, etc., in order to do which he can exercise the power of attachment and imprisonment through the sheriffs and coroners of the several counties. He can procure the testimony on a commission under his hand and seal. He can commit to prison any witness.

He may send an agent to examine the books, etc., of any corporation, or company having accounts to settle refusing or neglecting to make returns within the time specified by law.

In settling the accounts for incidental expenses he can disallow any excess over fair cash prices.

When it appears that an account has been erroneously or illegally settled, and one year having elapsed from the date of such settlement the Auditor General, State Treasurer and Attorney General may revise and re-settle the same according to law.

Within thirty days after the settlement of any account on which a balance appears to be due the Commonwealth, the Auditor General shall send a copy thereof to the person or persons indebted, from which they may appeal to the court of common pleas of Dauphin county, within sixty days after the notice of settlement.

The amount found due on any account shall be a lien on all the real estate of the persons indebted, and their securities throughout the State from the date of settlement, provided, such liens are entered in the proper county, and they shall bear interest at twelve per cent. per annum from 60 days after the date of notice.

Accounts examined and settled are submitted, with all the papers, to the State Treasurer for his examination and approval. If the latter disapproves he must state his reasons in writing; and if, on due consideration, they still disagree, the reasons in writing of both must be submitted, with all papers relating thereto, to the Governor for final decision.

Accounts approved by the State Treasurer are returned to the Auditor General, a certified copy of each one is made and forwarded to the proper party, a record of the settlement is kept, and the originals are properly indorsed, numbered and filed.

All debts known to be due the State, from all sources, remaining unpaid for ten days after the time allowed for appeals shall have expired, must be placed in the hands of the Attorney General for collection.

Certified copies of all accounts, books and documents on file in the Auditor General's office, under his hand and seal, shall be admitted in evidence in any court of law and elsewhere in the Commonwealth.

Wherever the laws recognize a claim on the Commonwealth, and there is no money appropriated to pay it, such account must be settled as other accounts, and the Auditor General at once reports to the Legislature, if in session; but if not in session, then during the first week of the ensuing session. He may issue a new certificate of debt in lieu of any one lost or destroyed on satisfactory proof of its loss or destruction.

He possesses all the powers and performs all the duties of Es-

cheator General, and, upon proper information given, appoints Deputy Escheators where required. He is also a member of the Military Board; the Board of Public Accounts; the Board of Sinking Fund Commissioners; the Board of Revenue Commissioners; Commissioners of Public Grounds and Buildings, Board of Agriculture and other Special Commissions or Boards where the money of the Commonwealth is expended.

In case of the failure of the court of common pleas of any county to appoint an auditor of county accounts, at the last term preceding the first day of January of each year, it is the duty of the Auditor General to fill such vacancy.

The act approved July 15, 1897 (P. L. 291) authorizes him to prescribe the form, etc., of vouchers, monthly and quarterly returns and statements of County Officers and Institutions receiving State aid; to appoint, for temporary service, from time to time expert accountants to examine the accounts of county officers and of institutions; and he is made the custodian of the title papers, insurance policies, plans of buildings and grounds, deeds and other legal evidences of ownership of all the institutions owned exclusively by the State.

Duties of the Auditor General's Department.

The duties of the Auditor General's Department may be considered, for the sake of convenience, under the following heads:

1. Settlement for taxes made directly with taxables.
2. Settlements with officers who collect taxes.
3. Duties in connection with the payment of moneys variously appropriated.
4. Miscellaneous.

1. Settlement for Taxes, Made Directly Against Taxables.

The Auditor General makes settlements directly against taxables for the following taxes:

1. Tax on the Capital Stock of Corporations, or Interest in Limited Partnership or Joint Stock Associations.
2. Tax on county, municipal, borough and corporate loans.
3. Tax on gross receipts of transportation, transmission and electric light companies.
4. Tax on the stock of banks.
5. Tax on the gross premiums of domestic insurance companies with capital stock.
6. Tax on the net earnings or income of brokers, private bankers and unincorporated banks and savings institutions.
7. Tax on the matured shares of building and loan associations.

8. Tax on the gross receipts of notaries public in Philadelphia county.

The Auditor General "makes settlements," or in other words states an account, assesses all of these taxes on the basis of sworn reports required to be made by the taxables, which reports are made on blanks supplied by the Auditor General at the proper times. All corporations or persons subject to any of these taxes are required to Register in the Auditor General's Department, giving, if corporations, the names thereof, amount of authorized capital, amount of paid-in capital, and the names and addresses of the president, secretary and treasurer. These furnish the Auditor General with the data necessary to enable him to send the proper blanks, upon which to make reports. Blanks on which to make reports are sent out as follows:

Capital Stock and Loans tax blanks on or about the first day of November of each year. The capital stock report is to be executed for the year ending the first Monday of November, and taxables have until December 31 following in which to make their reports. The tax year for the Loans tax is the calendar year.

Blanks on which to make reports of Gross Receipts and Gross Premiums are sent out on or about the 31st day of December and the 29th of June, respectively. Taxables have thirty days from those dates, respectively, in which to report.

Blanks on which to make the reports of express companies for excise tax on gross receipts, and blanks for reports of matured stock of building and loan associations are sent out on or about December 31st in each year.

Blanks for reports of net earnings or income are sent out about the first day of November.

Blanks for reports of gross receipts of notaries public are sent out on or about December 15th of each year.

On receipt of these Reports they are filed, as of the date of their receipt. They are taken up in regular order, and the amount of tax due on each, ascertained and stated in the form of a settlement, or statement of account, which statement of account, duly signed by the Auditor General, is thereupon forwarded to the State Treasurer with the Report for his approval and signature. On its return, an entry is made of the tax upon the books of the Department and a certified copy of the settlement is then made and sent to the taxable, who then has sixty days within which to appeal to the court of common pleas of Dauphin county. If an appeal is not taken within said period of sixty days the settlement becomes final. Interest at the rate of twelve per cent. per annum runs on all unpaid taxes from the expiration of said sixty days.

Reports made to the Auditor General for purposes of taxation, are not public records, in the usual acceptation of the term, and copies of such reports or information therefrom, are furnished only to parties in interest, viz: Stockholders or officers of the company making the report whereof a copy is required, or their counsel, and such copies or information are furnished to these only at the discretion of the Auditor General. Where copies of reports are required for use in litigation, subpoenas must be served upon the Auditor General, requiring their production. It would be extremely difficult, if not impossible, to get corporations to make full and correct returns of their affairs, if their reports were open to the inspection of their rivals in business or of the public generally. Hence the necessity for the method of procedure above described.

2. Settlements with Certain Officers who Collect State Taxes and Licenses.

The State taxes and licenses which are not paid directly into the State Treasury, but which are collected by county officers and by them paid into the Treasury, are as follows:

1. State tax on Personal Property.
2. Tax on Collateral Inheritances.
3. Licenses.
4. Tax on writs, wills, etc.
5. Tax on fees of office.

The Auditor General keeps accounts with the Treasurers of each County of the Personal Property tax collected by them, and separate accounts with the same officers for the License moneys which they collect. He also keeps a Collateral Inheritance tax account with the Register of Wills of each county. He also keeps accounts with all Prothonotaries, Clerks of Courts, Registers and Recorders, of the taxes on Writs, Wills, Deeds, etc., collected by them.

By concurrent resolution, approved May 23, 1891 (P. L., p. 413), all borough, city, county or State officers, authorized to collect or receive licenses or taxes for the Commonwealth, are required to make returns of the same on the first Monday of every month to the Auditor General.

3. Duties in Connection with the Disbursement of Moneys.

The Auditor General pays by warrant the salaries of all Judicial Officers of the State, and keeps accounts with such officers; also pays directly by warrant the salaries and expenses of all Inspectors of coal mines and certain other Public Officers. He disburses the

appropriations made to Penal, Charitable and Educational Institutions. These appropriations are paid quarterly, and the Acts making the appropriations usually provide that such a sum, "or so much thereof as may be necessary," shall be disbursed. Quarterly Reports to be made by the institutions receiving the appropriations. This requires the Auditor General to carefully examine such reports in order to ascertain how much of the amounts appropriated "may be necessary." The Auditor General keeps an appropriation book in which all the amounts appropriated by the Legislature are entered, in account with the beneficiaries thereof, in which accounts the amounts paid from time to time, on account of said appropriations are debited.

4. Miscellaneous.

The Auditor General, on information of Escheats being given him, appoints deputy escheators, collects amounts received from escheated estates, and pays the expenses. In addition to the duties hereinbefore enumerated, the Auditor General performs such special duties as are imposed upon him from time to time by special Acts of Assembly.

The duties and powers of the several Boards of which by law, he is a member, are briefly as follows:

BOARD OF PUBLIC ACCOUNTS.

This Board consists of the State Treasurer, Attorney General and Auditor General. Its powers are derived from the Act of March 30, 1811, P. L., 146, and April 8, 1889, P. L., 19, and its duties are fully described in another paragraph of this work.

It has the power to open and re-settle public accounts after the expiration of one year from the date of payment, when it may appear to have been erroneously or illegally made. The Supreme Court has decided that no other body possesses this power, not even that Court.

BOARD OF REVENUE COMMISSIONERS.

This is one of the most important of all the Boards created by law. The Act of May 24, 1878, P. L., p. 126, being an act defining the powers and extending the duties of the Board of Revenue Commissioners, provides, inter alia, as follows: "That for equalizing the assessments and taxes for the use of the Commonwealth, in the different cities and counties thereof, the Auditor General, State Treasurer and Secretary of the Commonwealth shall constitute a

Board of Revenue Commissioners, to meet at Harrisburg at such times as they or a majority of them shall agree upon, at least once in three years and as much oftener as they may deem necessary."

The Act of 1885 required an annual assessment of personal property subject to taxation for State purposes. The Board was therefore required to pass upon the return of personal property from the County Commissioners and the Board of Revision of Taxes of the City and County of Philadelphia, annually, and instruct the State Treasurer to issue the precept or demand for the payment of the tax annually. A number of other meetings have been held annually on account of business connected with the assessment of State tax on personal property.

The Act of June 15, 1897, P. L. p. 157, being an Act regulating the deposit of moneys belonging to the State in the banking institutions thereof, and providing for the collection of interest thereon, entailed additional duties upon the members of the Board of Revenue Commissioners.

The Act of Feb. 17, 1906, P. L. p. 45, being an Act to regulate the deposit of State funds, prescribing the method of selecting State depositories, to limit the amount of State deposits, to provide for the security of such deposits, to fix the rate of interest thereon, to provide for the publication of monthly statements of the General and Sinking Funds, to declare it a misdemeanor to give or take anything of value for obtaining the same, and prescribing penalties for violation of this Act, provides, inter alia, as follows: "That on and after the first day of June, 1906, the selection of banks, banking institutions or trust companies, in which the State moneys shall be deposited, shall be made by the Revenue Commissioners and the Banking Commissioner, jointly, or a majority of them, and for this purpose they shall meet once a month, or oftener at the call of the State Treasurer." It will be noticed that for the purpose of selecting State Depositories for State funds the Banking Commissioner has been added to the Board of Revenue Commissioners to act jointly with them.

All personal property subject to taxation for State purposes is ascertained by the County Commissioners of each county, and in the city and county of Philadelphia by the Board of Revision of Taxes, who furnish, for the use of the Commission, ten or more days before its meeting, a list or statement of the assessed value of such personal property under oath.

The Board then ascertains and determines a fair and just valuation and adjusts and equalizes the same between the several counties as far as possible in proportion to its actual value. When the amounts have been determined, the State Treasurer is directed by the Board of Revenue Commissioners to issue his annual precept

or demand for the payment of the tax to the said County Commissioners and Board of Revision of Taxes.

After the tax is paid into the State Treasury, three-fourths (¾) of the net amount thereof is returned to the several counties for their own use in relief of local taxation.

BOARD OF PUBLIC GROUNDS AND BUILDINGS.

This is composed of the Governor, State Treasurer and Auditor General, and was created by Act of March 26, 1885.

It has the care, control and supervision of the property connected with the State Capitol; the furnishing, repairs, alterations and improvements, with authority to enter into contracts for that purpose. And by the Act of 1895, June 3, it has power and authority to replace bridges over streams carried away or destroyed in any manner, and employ superintendents to supervise their construction, and that of any new State institutions, or the addition or repairs to the present State buildings, and to see to the proper expenditure of any moneys, appropriated for said purposes.

The Governor appoints a Superintendent of Buildings and Grounds who is subject to confirmation.

BOARD OF SINKING FUND COMMISSIONERS.

This Board consists of the State Treasurer, Secretary of the Commonwealth and Auditor General, and its duties are to receive all appropriations made to it, and apply the same to the payment of the debt and interest of the Commonwealth as provided by Section 2, Art. IX of the Constitution, and the various Acts of Assembly upon the subject.

BOARD OF AGRICULTURE.

This Board consist of the Governor, Secretary of Internal Affairs, Superintendent of Public Instruction, Secretary of Agriculture, President of State College and the Auditor General and others selected by County Societies.

It consists of four classes of members and its duties pertain to Agriculture, meeting once in each year at the State Capitol on the 4th Wednesday of January.

STATE MILITARY BOARD.

It is composed of the State Treasurer, Adjutant General and Auditor General.

Its duty is to pass upon all accounts relating to the National Guard.

BOARD TRUSTEES SOLDIERS' AND SAILORS' HOME.

Is composed of the Governor, Auditor General and nine other Trustees.

Its duty is to take care of the Home located at Erie, Pa., and its inmates.

PART II.

The annual reports of this Department contain a vast amount of valuable information. With a view to furnishing in a tabulated form some interesting data, useful and instructive to taxpayers as well as to those given to the study of taxation generally, this volume has been prepared.

Naturally the first subject of attention is the present financial condition of the Commonwealth. At no time within its history have the finances been in such good shape. At the end of the fiscal year, Nov. 30, 1905, there was a balance in the Sinking Fund of $3,600,575.60, and in the General Fund $8,927,950.79, making a total of $12,528,526.39. The total outstanding indebtedness on that date was $4,131,867.02. Deducting from this the assets of the Sinking Fund, we find the net State debt to be $122,958.09, considerably less than two cents per capita.

High-water mark in the State's indebtedness was reached in 1843, when it was upwards of $42,000,000. In 1874 it was $24,500,000. Since that time it has been reduced at the average rate of about $900,000 per annum. This gratifying result has been brought about without imposing any new or serious burdens upon the taxpayers.

The State has accomplished in its revenue system a greater degree of equality in the assessment and collection of its taxes than has any other State. Absolute uniformity, demanded by the Constitution, is not possible. Substantial uniformity is as near to complying with that demand as it is possible to reach. Our system, while far from being perfect, is the result of many years of experience in the execution of tax legislation by this Department. Notwithstanding its defects, it has brought about a financial condition never heretofore enjoyed by the Commonwealth. No system of taxation will ever be framed which will be perfect or meet with universal approval. Human nature contains the elements of selfishness, and, so long as this continues, the distribution of the public burdens will cause friction and objection.

This is illustrated at every session of the Legislature by the demand for the enactment of laws relieving some one from the burdens of taxation. More could hardly be expected than what has been accomplished by our present laws, in the way of relief of the burdens of local taxation. It is my purpose, in this connection, to place before the reader, a few facts and figures taken from the official records upon this subject. They will be found in greater detail farther along.

It will be noticed that by far the larger part of the State's revenue is derived from tax on corporations. Nearly 65 per centum comes from this source, while licenses, liquor, mercantile and miscellaneous, add a large proportion; also, collateral inheritances, writs, wills and deeds. The individual citizen pays a comparatively small share. The only tax he is required to pay, aside from that which is imposed on licenses of various kinds and in connection with estates, etc., is on personal property. The revenue from this source in 1905 was $3,446,906, but as the State retains only one-fourth of this amount, returning three-fourths to the counties to relieve the burdens of local taxation, and a part of the amount named is collected from corporations, it will be seen that the average individual contributes only a small fraction of the State's revenue. It must also be taken into consideration that various appropriations, aggregating large sums, find their way into the local communities for the benefit of schools, roads, the insane, etc., etc., thus further relieving local taxation. The figures will be found in detail in another portion of this work.

STATEMENT A.

Total revenue for 1905,			$24,269,119 72
Received from—	Per cent.	Amount.	
Corporations,	.643	$15,606,541	
Liquor licenses,	.070	1,702,306	
Mercantile and other licenses,	.050	1,208,835	
Collateral inheritance,	.068	1,677,185	
Writs, wills and deeds,	.008	190,654	
Personal property,	.143	3,446,906	
Miscellaneous,	.016	386,376	
Fines,	.002	50,316	
	100		$24,269,119 90

It would be difficult, if not impossible, to fix exactly the percentage of tax paid by individuals, as they contribute more or less to all of the above classes except the corporation tax, though most of it is found in the personal property tax. Deducting from the amount received from this source, the amount returned to the counties, and allowing for the portion paid by corporations, approximately $135,000, we find that each individual, upon a basis of a population of 6,800,000 contributed approximately eleven cents as a tax on personal property, for 1905.

In return for this net contribution of eleven cents, by each individual, the State returned, remitted or paid to the local communities, in relief of local taxation, the following amounts, in 1905:

Personal property tax,	$2,553,392	.37.5 cents per individual.
Schools, etc.,	8,600,264	$1.26.5 cents per individual.
County bridges,	879,738	.13.2 cents per individual.
Foreign insurance premiums and annuity right of way,	123,418	.01.8 cents per individual.
Charities,	4,454,500	.65.5 cents per individual.
Judges,	1,098,150	.16.1 cents per individual.
Total,	$17,709,462	$2.60.6 cents per individual.

Also share of each individual in the following disbursements:

Legislative,	$593,322	.08.7
Departments, boards, etc.,	6,133,945	.90 2
Military,	377,680	.05.5
Penitentiaries, etc.,	454,681	.06.7
Pensions and gratuities,	4,164	.00.6
Public printing,	383,757	.05.6
Purchase of lands for forestry reservations,	231,939	.03.4
Constructing new Capitol,	1,045,000	.15.3
Commissions to erect hospitals, etc.,	262,972	.03.9
Miscellaneous general,	376,040	.05.5
Total,	$9,853,500	1,454
Grand total,	$27,562,962	4.06

In other words, the only tax paid by the individual citizen directly to the State as before stated, is that upon Personal Property, such as bonds, mortgages, etc., the net amount of which tax was $758,514 for 1905, each individual's proportion being about eleven cents.

He received:—		
Personal property tax, schools, etc.,	$2.606	
His proportion of appropriations to insane, National Guard, new Capitol, penal institutions, etc.,	1.454	
		$4.06

In addition to this, the State since 1887, has remitted to the counties the High License tax, amounting annually to upwards of $3,500,000, or over 50 cents per capita.

STATEMENT B.

A reference to the proper table will show in detail the amount of State Debt at different periods, how and for what purpose created; but the following will show the amount outstanding at the periods named.

PUBLIC DEBT.

(At the periods mentioned.)

1840,	$36,168,528
1845,	40,986,393
1850,	40,775,485
1855,	40,196,942
1860,	37,968,847
1865,	37,476,258
1870,	31,111,661
1875,	23,233,137
1880,	21,261,989
1885,	19,084,283
1890,	13,856,971
1895,	6,816,309
1900,	6,815,299
1905,	4,131,867

For the larger part of the above period the figures represent the amount of debt, exclusive of the moneys in the Sinking Fund.

STATEMENT C.

STATE DEBT.

FUNDED, 1905.		
Currency loan, 3½ per cent.,	$695,450 00	
Currency loan, 4 per cent.,	2,785,300 00	
Agricultural College scrip, 6 per cent.,	500,000 00	
Proceeds sale experimental farms,	17,000 00	
		$3,997,750 99
UNFUNDED.		
Relief notes outstanding,	$96,100 00	
Interest on certificates not claimed,	4,448 38	
Interest on certificates outstanding,	13,038 54	
Chambersburg certificates, 6 per cent. unclaimed...	90 40	
Domestic creditor,	25 00	
Bonds, 5 per cent. (interest ceased),	18,414 70	
Bonds, 6 per cent. (interest ceased),	2,000 00	134,117 02
State debt, Dec. 1, 1905,		$4,131,867 02

SINKING FUND, 1905.

Funded debt,	$3,997,750 00	
Unfunded debt,	134,117 02	
		$4,131,867 02
Assets in Sinking Fund:		
Bonds (5) Allegheny Valley Railroad,	$400,000 00	
Interest on same,	8,333 33	
Cash on hand,	3,600,575 60	4,008,908 93
Net debt, Dec. 1, 1905,		$122,958 09

The Assets in the Sinking Fund Dec. 1, 1905, amounted to $4,008,908.93, leaving a net debt of $122,958.09, or less than two cents per individual in the State. The debt at the present time consists of certain loans, the largest item being $2,785,300 not due until 1912, and another of $500,000, due in 1922. They bear 3½, 4, 5 and 6 per cent. interest, and the holders will not dispose of them. Information as to the nature of the outstanding debt will be found in another table.

STATEMENT D.

Showing the Receipts and Expenditures at the State Treasury, from the Year 1791 to the 30th Day of November, 1905.

Year.	Receipts.	Payments.	Balance.
1791,	$352,652	$249,538	
1792,	850,497	677,888	
1793,	565,964	806,484	
1794,	932,551	530,852	
1795,	254,481	601,193	
1796,	295,931	291,402	
1797,	203,791	230,451	
1798,	169,723	198,893	
1799,	233,378	218,719	
1800,	272,009	254,814	
1801,	245,609	225,966	
1802,	250,969	286,091	
1803,	299,991	303,684	
1804,	366,413	263,863	
1805,	215,310	229,582	
1806,	240,609	309,820	
1807,	261,050	240,478	
1808,	250,440	295,496	
1809,	547,950	312,139	
1810,	353,965	594,389	
1811,	408,309	389,889	
1812,	438,913	308,960	
1813,	492,908	336,187	
1814,	845,977	1,156,529	
1815,	703,547	660,735	
1816,	684,690	487,005	
1817,	977,762	962,564	
1818,	533,346	633,188	
1819,	539,825	592,254	
1820,	440,801	453,623	
1821,	1,420,586	954,306	
1822,	411,432	571,042	
1823,	468,857	742,109	
1824,	650,667	684,871	
1825,	543,790	502,880	
1826,	677,618	590,089	
1827,	1,588,757	1,575,881	
1828,	3,129,470	3,107,552	
1829,	3,610,338	3,624,777	
1830,	6,331,449	6,357,394	
1831,	3,033,978	3,058,926	
1832,	4,594,889	4,602,204	
1833,	4,047,060	3,796,794	
1834,	4,876,748	5,190,079	
1835,	3,273,563	3,131,860	
1836,	3,804,642	3,675,628	
1837,	6,069,276	4,173,940	
1838,	2,769,087	4,889,863	
1839,	8,209,301	6,971,490	
1840,	6,567,206	7,279,120	

STATEMENT D—Continued.

Year.	Receipts.	Payments.	Balance.
1841,	5,380,782	4,895,154	
1842,	2,780,608	3,337,311	
1843,	3,404,434	3,499,144	
1844,	2,331,765	1,847,385	
1845,	3,010,062	3,289,028	
1846,	3,529,057	3,529,264	
1847,	3,977,025	3,680,813	
1848,	3,831,776	3,935,376	
1849,	4,433,688	4,084,771	
1850,	4,438,131	4,569,053	
1851,	4,570,393	4,780,667	
1852,	7,716,552	7,157,920	
1853,	9,486,770	10,144,963	
1854,	5,963,670	5,437,159	
1855,	5,390,474	5,385,705	
1856,	5,378,240	5,379,142	
1857,	4,690,587	5,407,276	
1858,	4,139,778	3,775,857	
1859,	3,826,350	3,879,054	
1860,	3,479,257	3,637,147	
1861,	6,743,525	5,873,352	
1862,	5,211,747	4,590,509	
1863,	4,289,451	4,314,964	
1864,	4,733,313	4,938,441	
1865,	6,219,989	5,788,535	
1866,	5,829,668	6,462,303	
1867,	28,423,330	25,502,526	
1868,	5,216,049	8,864,960	
1869,	5,241,711	4,894,806	
1870,	6,336,603	6,434,522	
1871,	7,191,945	7,024,079	
1872,	7,148,637	7,142,990	
1873,	7,076,723	6,734,027	
1874,	5,871,968	6,642,567	
1875,	6,480,099	6,541,443	
1876,	6,078,890	6,087,100	
1877,	14,659,502	13,482,453	
1878,	5,513,417	6,653,933	$1,021,531
1879,	7,422,369	6,529,063	1,914,831
1880,	6,720,334	6,820,119	1,815,046
1881,	7,001,782	6,926,810	1,890,019
1882,	16,428,650	14,850,871	3,467,798
1883,	6 775,430	6,708,690	3,534,538
1884,	6,226,959	7,643,912	2,117,585
1885,	8,179,714	8,513,257	1,784,041
1886,	7,520,711	7,203,295	2,101,457
1887,	7,646,147	7,366,763	2,380,841
1888,	8,964,060	7,387,866	3,687,035
1889,	8,965,390	8,182,847	3,969,587
1890,	8,625,919	8,168,861	4,426,645
1891,	13,007,161	10,453,952	6,679,854
1892,	10,748,759	11,727,968	6,000,644
1893,	13,252,727	13,423,064	5,830,308
1894,	12,873,786	13,622,769	5,014,642
1895,	12,030,030	13,681,701	3,420,654
1896,	12,913,843	11,289,893	5,662,604
1897,	13,117,983	13,643,887	5,136,700
1898,	13,325,120	13,973,803	4,488,017
1899,	15,458,316	15,336,838	4,609,495
1900,	17,494,211	15,453,718	6,649,988
1901,	17,727,432	16,669,399	7,708,022
1902,	22,947,890	17,787,106	12,868,806
1903,	21,030,232	18,080,480	15,818,559
1904,	19,767,893	19,763,784	15,822,368
1905,	24,269,120	27,562,962	12,528,526

STATEMENT E.

Statement of Money Paid, Returned, or Remitted to the Several Counties of the Commonwealth, thus Aiding in Reducing Local Taxation, from 1866 to 1905 Inclusive.

	From 1866 to 1905 inclusive.	For 1905 only.
I. By Appropriation:		
a. Judicial Purposes,	$20,321,159	$1,089,150
b. Educational Purposes,	128,357,892	8,600,264
c. Charitable Purposes,	56,163,458	4,440,250
d. Bridges and Highways (since 1902),	3,002,138	1,535,792
II. By Return to the Counties:		
e. High License Act (since 1888),	53,400,448	3,500,000
f. Personal Property (since 1890),	31,890,313	2,553,392
g. Foreign Fire Insurance Premium (since 1896),	786,859	113,418
III. By Repeal for State Purposes:		
h. Real Estate Tax (since 1866),	339,507,612	14,080,547
i. Trades and Occupations (since 1871),	67,339,167	3,293,028
j. Horses and Cattle (since 1873),	5,632,223	172,886
k. Furniture, Gold and Silver Watches,	1,904,884	105,827
Grand Total,	$708,306,153	$39,484,554

From 1866 to 1905, or 40 years Paid, Returned and Remitted to Counties, ... $708,306,153
Average amount Returned per year, ... 17,707,654

STATEMENT F.

Showing the Several Public Loans of the Commonwealth, when Authorized, for what Purpose, Amount of Loans, Rate of Interest, when Re-imbursable, Dates of Maturity, Amounts Outstanding, and when the Interest Ceased.

Date of Loan.	Page of pamphlet laws.	For What Purpose Issued.	Amout of loans.	Rate of interest—per cent.	When reimbursable.	Date of maturity.	When interest ceased.	Amount outstanding November 30, 1905.	Amount outstanding November 30, 1906.
April 22, 1821,	222-1821	To defray expenses, etc.,	$1,000,000 00	5	June 1, 1841,	June 1, 1841,		$230 00	$230 00
December 18, 1828,	2-1828	Continuance of Pennsylvania railroad and canal,	800,000 00	5	Jan. 1, 1854,	Jan. 1, 1854,	Aug. 1, 1863,	2,000 00	2,000 00
April 22, 1829,	252-1829	Canal and railroad,	2,200,000 00	5	Dec. 1, 1854,	Dec. 1, 1854,	Aug. 1, 1867,	2,138 83	2,138 83
March 21, 1831,	196-1831	Canal and railroad,	2,483,161 88	5	July 1, 1856,	July 1, 1856,	Aug. 1, 1867,	150 00	150 00
March 30, 1832,	222-1832	Canal and railroad,	2,348,680 00	5	July 1, 1860,	July 1, 1860,	Aug. 15, 1867,	66	66
April 13, 1835,	201-1835	Canal and railroad,	1,159,600 00	5	July 1, 1865,	July 1, 1865,	Sep. 30, 1867,	1,500 00	1,500 00
January 26, 1839,	8-1839	Interest and internal improvements,	1,200,000 00	5	July 1, 1859,	July 1, 1859,	Aug. 15, 1867,	1,245 64	1,245 64
March 27, 1839,	669-1839	Pay maturing loans,	470,000 00	5	July 1, 1868,	July 1, 1868,	July 1, 1868,	62 00	62 00
June 27, 1839,	517-1839	Pay maturing loans,	1,150,000 00	5	June 27, 1864,	June 27, 1864,	Sep. 30, 1867,	100 00	100 00
July 19, 1839,	634-1839	Canal and railroad,	2,054,000 00	5	July 1, 1868,	July 1, 1868,	July 1, 1868,	4,600 00	4,600 00
January 23, 1840,	29-1840	Interest and temporary loans,	870,000 00	5	Jan. 1, 1865,	Jan. 1, 1865,	Sept. 30, 1867,	80 00	80 00
April 3, 1840,	716-1840	For resumption and special payment,	927,010 00	5	Aug. 1, 1864,	1865,	Sep. 30, 1867,	3,553 00	3,553 00
June 11, 1840,	648-1840	Improvement of State and interest,	1,957,362 15	5	July 1, 1870,	July 1, 1870,	Oct. 30, 1872,	1,000 10	1,000 10
May 5, 1841,	447-1841	Regulating banks, etc.,	575,737 50	5	At expiration	of charters,	Aug. 15, 1867,	506 08	506 08
May 4, 1841,		Relief loan,			July 1, 1870,	July 1, 1870,	July 1, 1870,	96,132 08	96,100 00
July 27, 1842,		Interest certificates,		6				4,158 15	4,158 15
March 7, 1843,	375 1843	Interest certificates,		6	Aug. 1, 1846,	Aug. 1, 1846,		4,312 43	4,312 43
May 31, 1844,		Interest certificates,		5				4,567 96	4,567 96
April 29, 1844,	502-1844	Penna. canal and railroad,	60,643 72	5	Mar. 1, 1848,	Mar. 1, 1848,		18 50	18 50
April 16, 1845,	513-1845	Expenses, repairs of canal, etc.,	4,476,572 00	5	Aug. 1, 1855,	Aug. 1, 1855,	Aug. 1, 1867,	1,229 89	1,229 89
May 15, 1861,	794-1861	Arming the State,	3,000,000 00	6	Aug. 1, 1871,	Aug. 1, 1871,	Nov. 15, 1871,	2,000 00	2,000 00

Act June 8, 1881, 30 yr. loan, registered,	87-1881	Redemption of maturing loans,		4		Feb. 1, 1912,		743,450 00	695,450 00
Act June 8, 1881, 30 yr. loan, registered,	87-1881			3½		Feb. 1, 1912,		2,785,300 00	2,785,300 00
Interest, certificates unclaimed,								4,448 38	4,448 38
Domestic creditors' certificates,								25 00	25 00
Outstanding scrip issued to sufferers in Chambersburg, under Act of May 27, 1871,								90 40	90 40
Registered bonds issued by the Commonwealth to the Agricultural College and scrip fund of Pennsylvania, payable, after fifty years from February 1, 1872, with semi-annual interest at six per cent. under the Act of April 3, 1872, (P. L. P. 49),								500,000 00	500,000 00
Proceeds of sale of Eastern and Western experimental farms, to be held in the State Treasury, and interest paid thereon quarterly at six per cent., as per act of May 13, 1887,								17,000 00	17,000 00
Total amount of State Debt,								$4,219,708 02	$4,131,867 02
Amount in Sinking Fund.									4,008,908 93
Net State Debt December 1, 1905,									$122,958 09

STATEMENT G.

INTEREST CERTIFICATES.

Statement Showing the Original Amount of Certificates Issued to the Holders of the Public Loans, for Interest Due Thereon at the Periods Herein Stated, the Amounts of the Same Cancelled and Funded, and the Amounts Outstanding; Together with those Unclaimed.

CERTIFICATES ISSUED.

For interest due August 1, 1842,		$863,033 76
For interest due February 1, 1843,		864,016 97
For interest due August 1, 1843,		914,737 03
For interest due February 1, 1844,		918,217 71
For interest due August 1, 1844,		922,818 54
For guaranteed interest due Bald Eagle and Spring Creek Navigation Company, January 1, 1843,		5,000 00
For guaranteed interest due Danville and Pottsville Railroad Company, December, 1842,		15,000 00
		$4,502,824 01

Of this sum there has been Funded and Canceled as follows:

Certificates of August, 1842:

Funded per act April 29, 1844,	$22,752 80	
Funded per act April 16, 1845,	805,693 66	
Received in payment of debts due the Commonwealth,	5,641 43	
		$834,087 89

Certificates of February, 1843:

Funded per act April 16, 1845,	$836,411 71	
Received in payment of debts due the Commonwealth,	55 00	
		836,466 71

Certificates of August, 1843:

Funded per act April 16, 1845,	$887,074 56	
Received in payment of debts due the Commonwealth,	100 00	
		$887,174 56

Certificates of February, 1844:

Funded per act April 16, 1845,	$888,563 28	
Received in payment of debts due the Commonwealth,	1,071 73	
		889,635 01

Certificates of August, 1844.

Funded per act April 16, 1845,	$893,202 18	
Received in payment of debts due the Commonwealth,	100 54	
		893,302 72

STATEMENT G—Continued.

Certificates of the Bald Eagle and Spring Creek Navigation Company.

Funded per act April 29, 1844,	$2,328 75		
Funded per act April 16, 1845,	2,498 75		
		4,827 50	

Certificates of the Danville and Pottsville Railroad Company.

Funded per act April 29, 1844,	$8,183 33		
Funded per act April 16, 1845,	6,816 67		
		15,000 00	
			$4,360,494 39
Balance of unfunded certificates,			$142,329 62

The following amount of outstanding Certificates has been redeemed at the State Treasury during the fiscal years ending with November 30, 1852, to 1897, inclusive, viz:

Certificates of August, 1842,	$24,947 72	
Certificates of February, 1843,	25,247 84	
Certificates of August, 1843,	25,469 96	
Certificates of February, 1844,	26,322 60	
Certificates of August, 1844,	27,207 96	
Certificates of Bald Eagle and Spring Creek Navigation Company,	125 00	
		129,291 08
Leaving outstanding December 1, 1905,		$13,038 54

The following are the outstanding Certificates composing the same, viz:

Certificates of August, 1842,	$3,998 15	
Certificates of February 1843,	2,332 42	
Certificates of August, 1843,	2,092 51	
Certificates of February, 1844,	2,260 10	
Certificates of August, 1844,	2,307 86	
Certificates of Bald Eagle and Spring Creek Navigation Company,	47 50	
		13,038 54

To which may be added the amount of interest due for which Certificates have not been claimed, hence not issued, viz:

For interest due August 1842,	$255 10	
For interest due February, 1843,	700 36	
For interest due August, 1843,	681 86	
For interest due February, 1844,	2,094 29	
For interest due August, 1844,	716 77	
		4,448 38
Total,		$17,486 92

STATEMENT H.

RELIEF NOTES.

Statement Showing the Several Banks of the Commonwealth that Issued Notes in Pursuance of the Act of May 4, 1841, the Original Amount Issued by them Respectively, the Amount of the Same Redeemed and Canceled, and the Amount Remaining in Circulation, Together with those Banks that Re-issued Said Notes in Pursuance of the Act of April 10, 1849, and the Amount of Re-issue Outstanding.

Banks.	Original amount issued.	Amount redeemed of old issues.	Amount in circulation old issues.	Amount of re-issues in circulation.
Bank of Northern Liberties,	$70,000	$68,153	$1,847	.....
Bank of Penn Township,	100,000	97,862	2,138	.....
Manufacturers' and Mechanics' Bank,	80,260	78,817	1,443	.....
Moyamensing Bank,	*62,500	62,500	.....	.....
Bank of Chambersburg,	66,000	63,974	2,026	$297
Bank of Chester County,	71,512	71,298	214	.....
Bank of Delaware County,	43,057	41,872	1,185	.....
Bank of Germantown,	35,524	35,117	407	.....
Bank of Northumberland,	40,000	38,609	1,391	.....
Bank of Gettysburg,	30,958	29,739	1,219	.....
Bank of Lewistown,	74,259	72,163	2,096	.....
Bank of Middletown,	*49,330	49,330	.....	12,645
Bank of Susquehanna County,	*25,000	25,000	.....	.....
Berks County Bank,	†45,787	45,787	.....	.....
Carlisle Bank,	57,626	55,780	1,846	235
Columbia Bank and Bridge Company,	25,479	24,758	721	.....
Erie Bank,	375,474	375,474	.....	.....
Exchange Bank of Pittsburg,	177,775	171,374	6,401	.....
Farmers' Bank of Bucks County,	23,055	22,082	972	.....
Farmers' Bank of Lancaster,	80,000	77,956	2,044	4,429
Farmers' Bank of Reading,	60,072	57,362	2,710	.....
Farmers' and Drovers' Bank, Waynesburg,	27,750	26,980	770	.....
Harrisburg Bank,	76,042	73,726	2,316	7,596
Lancaster Bank,	38,430	38,060	370	28,892
Lancaster County Bank,	18,750	18,139	611	1,200
Lebanon County Bank,	17,570	17,099	471	.....
Merchants' and Manufacturers' Bank, Pittsburg,	120,000	118,667	1,333	.....
Miners' Bank, Pottsville,	49,936	49,006	930	.....
Monongahela Bank of Brownsville,	31,500	30,519	981	.....
Northampton Bank,	31,171	29,289	1,882	.....
Towanda Bank,	107,500	107,500	.....	.....
West Branch Bank,	25,000	24,706	294	.....
Wyoming Bank, Wilkes-Barre,	30,232	29,314	918	.....
York Bank,	52,725	51,455	1,270	.....
Totals,	$2,220,264	$2,179,458	$40,306	$55,294

Amount in circulation of old issues,	$40,806	
Amount in circulation of new issues,	55,294	
		$96,100

*These Banks, under the authority of the eleventh and twelfth sections of the act of May 4, 1841, issued the following sums, in addition to those here stated, and pledged to the Auditor General, as security for the redemption of the same, equal amounts of five per centum State stock, viz:

Moyamensing Bank,	$12,500	
Bank of Middletown,	5,050	
Bank of Susquehanna County,	5,200	
		$22,750

Of these issues, the Bank of Commerce (late Moyamensing) has redeemed $11,800, and received back the same amount of the pledged security, whilst at the State Treasury there has been redeemed of the issues of the Bank of Middletown the sum of $3,525, and of the Bank of Susquehanna County $4,471, for which equal amounts of the pledged stocks have been canceled, leaving still in circulation of these extra issues—Moyamensing Bank, $700; Bank of Middletown, $1,525, and the Bank of Susquehanna County, $729.00.

†The Berks County Bank made an over-issue of relief notes to the amount of $28,501. For the redemption of these the Commonwealth became responsible, pursuant to the act of January 29, 1845, and has redemmed the sum of $27,554, leaving still in circulation $947.

NOTE.—Under the construction given to the act of April 10, 1849 by the Attorney General, many of the re-issues as they became defaced, were canceled and renewed.

STATEMENT I.

PUBLIC DEBT.

Statement Showing the Indebtedness of the Commonwealth of Pennsylvania on the 1st Day of December, 1905.

Funded debt:		
Three and one-half per cent. currency loan of 1881, due 1912,	$695,450 00	
Four per cent. currency loan of 1881, due 1912,	2,785,300 00	
Six per cent. Agricultural College land scrip bond, payable 1922,	500,000 00	
Six per cent. proceeds from sale of experimental farms,	17,000 00	
		$3,997,750 00
Unfunded debt and debt upon which interest has ceased:		
Relief notes issued under act of 1841,	$96,100 00	
Interest certificates unclaimed,	4,448 38	
Interest certificates outstanding,	13,038 54	
Chambersburg certificates unclaimed,	90 40	
Domestic creditor,	25 00	
Five per cent. bonds upon which interest has ceased,	18,414 70	
Six per cent. bonds upon which interest has ceased,	2,000 00	
		134,117 02
Public debt December 1, 1905,		$4,131,867 02
Assets of the Sinking Fund:		
Bonds of the Allegheny Valley Railroad Company,	$400,000 00	
Interest on same to December 1, 1905,	8,333 33	
Cash on hand,	3,600,575 60	
		4,008 908 93
Net debt December 1, 1905,		$122,958 09

STATEMENT J.

Statement Showing What Each County Paid to the State, What Each County Received from the State, with Balance in Favor of the County for 1905.

Counties.	County Seats.	Paid to State by the counties.	Returned to counties by the State.	Balance in favor of county.	For each dollar paid by the county to the State, the State returned to the counties the following amounts.
Adams,	Gettysburg,	$16,866	$121,244	$104,378	$7 18
Allegheny,	Pittsburg,	1,329,513	3,019,270	1,689,757	2 27
Armstrong,	Kittanning,	25,585	186,572	160,987	7 29
Beaver,	Beaver,	29,752	192,364	162,612	6 46
Bedford,	Bedford,	8,913	143,712	134,799	16 12
Berks,	Reading,	167,736	584,366	416,630	3 42
Blair,	Hollidaysburg,	59,229	297,304	238,075	5 02
Bradford,	Towanda,	30,819	232,140	201,221	7 53
Bucks,	Doylestown,	68,160	259,044	210,884	3 86
Butler,	Butler,	36,778	207,224	170,446	5 62
Cambria,	Ebensburg,	49,761	384,706	334,945	7 73
Cameron,	Emporium,	4,669	27,846	23,177	5 96
Carbon,	Mauch Chunk,	20,665	160,948	140,283	7 78
Centre,	Bellefonte,	23,529	145,161	122,632	6 16
Chester,	West Chester,	125,290	357,760	232,470	2 80
Clarion,	Clarion,	14,700	128,684	113,984	8 75
Clearfield,	Clearfield,	34,641	270,653	236,012	7 81
Clinton,	Lock Haven,	17,642	96,599	78,957	5 53
Columbia,	Bloomsburg,	12,187	159,684	147,497	13 10
Crawford,	Meadville,	52,339	264,155	211,816	5 04
Cumberland,	Carlisle,	50,907	184,725	133,818	3 60
Dauphin,	Harrisburg,	93,749	389,579	295,830	4 15
Delaware,	Media,	59,796	330,794	240,998	3 68
Elk,	Ridgway,	16,855	122,847	105,992	7 28
Erie,	Erie,	52,021	394,737	342,716	7 58
Fayette,	Uniontown,	68,169	426,719	358,550	6 25
Forest,	Tionesta,	2,502	48,051	45,549	19 20
Franklin,	Chambersburg,	17,559	199,156	181,597	11 34
Fulton,	McConnellsburg,	1,202	44,568	43,366	37 07
Greene,	Waynesburg,	15,471	114,121	98,650	7 30
Huntingdon,	Huntingdon,	12,221	135,325	123,104	10 10
Indiana,	Indiana,	18,987	170,113	151,126	8 06
Jefferson,	Brookville,	24,380	223,308	198,928	9 16
Juniata,	Mifflintown,	4,392	64,192	59,800	14 63
Lackawanna,	Scranton,	162,535	691,234	528,699	4 24
Lancaster,	Lancaster,	163,575	593,871	430,296	3 63
Lawrence,	New Castle,	36,396	215,571	179,175	5 67
Lebanon,	Lebanon,	59,237	219,487	160,250	3 70
Lehigh,	Allentown,	92,131	325,620	233,489	3 56
Luzerne,	Wilkes-Barre,	220,295	912,907	692,612	4 15
Lycoming,	Williamsport,	84,411	272,006	187,595	3 22
McKean,	Smethport,	33,952	206,602	172,650	6 07
Mercer,	Mercer,	36,183	216,245	180,062	6 00
Mifflin,	Lewistown,	12,882	87,668	74,786	6 72
Monroe,	Stroudsburg,	13,646	89,256	75,610	7 84
Montgomery,	Norristown,	188,527	534,921	346,394	2 68
Montour,	Danville,	7,839	58,274	50,434	7 43
Northampton,	Easton,	102,558	377,255	274,697	3 67
Northumberland,	Sunbury,	54,175	343,483	289,308	6 34
Perry,	New Bloomfield,	8 444	91,160	82,716	10 79
Philadelphia,	Philadelphia,	3,973,696	5,545,417	1,571,721	1 42
Pike,	Milford,	3,234	37,195	33,960	11 50
Potter,	Coudersport,	12,158	115,823	103,665	9 52
Schuylkill,	Pottsville,	128,512	567,836	439,324	4 41
Snyder,	Middleburg,	5,989	67,336	61,347	11 24
Somerset,	Somerset,	29,614	191,239	162,616	6 46
Sullivan,	Laporte,	3,233	50,779	47,546	15 70
Susquehanna,	Montrose,	20,293	157,844	137,551	7 84
Tioga,	Wellsboro,	34,266	199,932	165,666	5 33
Union,	Lewisburg,	12,288	61,550	49,262	5 00
Venango,	Franklin,	59,098	184,164	125,066	3 11
Warren,	Warren,	16,271	135,840	119,569	8 31
Washington,	Washington,	90,718	396,127	305,409	4 34
Wayne,	Honesdale,	13,769	117,448	103,679	8 53
Westmoreland,	Greensburg,	114,111	578,882	464,771	5 07
Wyoming,	Tunkhannock,	3,147	73,723	70,576	2 34
York,	York,	93,411	464,903	371,492	4 97

STATEMENT K.

Amount Paid by the State in Support of Penal Institutions from 1860 to 1905, Both Years Included.

1860,	$83,449 00
1861,	115,395 12
1862,	108,006 00
1863,	67,452 16
1864,	87,630 00
1865,	97,755 00
1866,	132,585 00
1867,	89,814 00
1868,	127,395 00
1869,	155,420 00
1870,	180,788 93
1871,	136,936 61
1872,	130,224 30
1873,	129,207 02
1874,	111,262 02
1875,	88,705 00
1876,	118,588 75
1877,	141,973 75
1878,	112,527 50
1879,	116,871 25
1880,	296,225 00
1881,	426,108 75
1882,	347,188 75
1883,	408,497 25
1884,	417,945 00
1885,	472,546 71
1886,	473,465 00
1887,	369,014 03
1888,	470,928 41
1889,	431,516 92
1890,	244,606 20
1891,	313,492 68
1892,	307,646 87
1893,	404,021 92
1894,	304,155 77
1895,	361,179 62
1896,	332,235 97
1897,	271,146 60
1898,	349,197 73
1899,	312,973 87
1900,	330,053 60
1901,	343,819 49
1902,	336,309 17
1903,	433,715 65
1904,	482,471 47
1905,	454,681 38
Total,	$12,027,130 00

STATEMENT L.

Amount Paid by the State for the Support of Charitable Institutions from 1860 to 1905, Both Years Included.

1860,	$128,326 40
1861,	123,490 04
1862,	123,956 36
1863,	119,926 37
1864,	170,718 21
1865,	272,980 10
1866,	474,616 54
1867,	600,094 09
1868,	772,066 20
1869,	754,118 07
1870,	336,866 09
1871,	396,103 83
1872,	441,527 10
1873,	439,307 13
1874,	689,899 48
1875,	385,165 51
1876,	523,401 39
1877,	722,597 33
1878,	536,047 16
1879,	526,830 08
1880,	1,170,303 53
1881,	850,016 35
1882,	683,654 35
1883,	600,773 81
1884,	709,302 10
1885,	1,040,450 72
1886,	896,463 56
1887,	780,219 11
1888,	1,063,077 91
1889,	1,020,026 29
1890,	1,140,473 46
1891,	1,134,354 85
1892,	1,382,698 94
1893,	1,700,208 28
1894,	1,882,646 42
1895,	1,823,766 12
1896,	2,000,296 63
1897,	2,067,548 11
1898,	2,287,424 81
1899,	2,423,572 74
1900,	2,594,798 32
1901,	2,306,888 54
1902,	2,718,610 32
1903,	3,471,839 19
1904,	4,295,497 53
1905,	3,385,250 42
Total,	$53,968,200 00

STATEMENT M.

Amount of Personal Property Tax Returned to the Counties from 1891 to 1905, Both Y ears Inclusive.

1891,	$436,559 00
1892, Part of the year 1-3 returned and part 3-4,	541,779 00
1893,	3,018,641 00
1894,	1,050,148 00
1895,	1,575,020 00
1896,	2,038,936 00
1897,	1,815,131 00
1898,	1,961,974 00
1899,	2,360,309 00
1900,	2,852,499 00
1901,	2,572,675 00
1902,	2,566,917 00
1903,	2,056,656 00
1904,	2,900,573 00
1905,	2,553,392 00
Total,	$30,301,209 00

STATEMENT N.

Amount Diverted or Returned to Local Treasurers by the State on Account of Liquor Licenses from 1888 to 1905, Both Years Inclusive. Act Passed in 1887.

1888,	$1,326,098 00
1889,	1,341,712 00
1890,	1,340,700 00
1891,	1,591,938 00
1892,*	2,900,000 00
1893,	2,900,000 00
1894,	3,300,000 00
1895,	3,500,000 00
1896,	3,500,000 00
1897,	3,500,000 00
1898,	3,500,000 00
1899,	3,500,000 00
1900,	3,500,000 00
1901,	3,500,000 00
1902,	3,500,000 00
1903,	3,500,000 00
1904,	3,500,000 00
1905,	3,500,000 00
Total,	$53,200,448 00

*Estimated from 1892, the act of 1891 allowing the counties to retain the whole amount collected on account of retail liquor licenses.

STATEMENT O.

Amount of Money Collected from Corporations and Associations, for Bonus and Tax, for the Years 1881 to 1905, Both Years Included.

1881,	$3,586,512 00
1882,	3,525,924 00
1883,	3,711,504 00
1884,	3,108,449 00
1885,	3,750,734 00
1886,	3,860,580 00
1887,	3,522,501 00
1888,	3,534,082 00
1889,	3,744,263 00
1890,	3,982,371 00
1891,	5,481,667 00
1892,	4,713,384 00
1893,	6,154,099 00
1894,	6,888,258 00
1895,	6,289,208 00
1896,	5,993,690 00
1897,	6,328,175 00
1898,	5,620,760 00
1899,	8,607,200 00
1900,	9,505,643 00
1901,	10,165,455 00
1902,	10,374,772 00
1903,	12,525,481 00
1904,	10,456,804 00
1905,	15,606,541 00
Total,	$119,229,470 00

STATEMENT P.

Amount Paid by the State for Support of Soldiers' and Sailors Home from 1885 to 1905, both years included.

1885,	$31,500 00
1886,	50,000 00
1887,	70,000 00
1888,	151,850 00
1889,	94,250 00
1890,	81,150 00
1891,	72,500 00
1892,	72,500 00
1893,	67,750 00
1894,	92,765 00
1895,	100,860 00
1896,	45,000 00
1897,	91,250 00
1898,	36,875 00
1899,	40,500 00
1900,	48,609 00
1901,	45,987 00

STATEMENT P—Continued.

1902,	50,000 00
1903,	52,500 00
1904,	55,000 00
1905,	55,000 00
Total,	$1,405,846 00

STATEMENT Q.

Amount Paid by the State for Support of Soldiers' Orphans from 1870 to 1905, Both Years Included.

1870,	$508,245 33
1871,	522,607 50
1872,	471,986 41
1873,	469,308 94
1874,	419,295 64
1875,	406,063 89
1876,	393,317 63
1877,	372,084 46
1878,	343,744 65
1879,	373,454 85
1880,	356,833 23
1881,	356,989 61
1882,	366,670 87
1883,	351,101 18
1884,	316,335 08
1885,	310,258 03
1886,	326,044 18
1887,	351,964 19
1888,	336,419 22
1889,	300,228 86
1890,	169,029 15
1891,	132,393 01
1892,	110,182 44
1893,	90,255 62
1894,	237,188 75
1895,	225,688 01
1896,	186,190 03
1897,	166,579 80
1898,	163,969 18
1899,	190,438 68
1900,	202,699 24
1901,	234,521 22
1902,	174,982 80
1903,	186,823 53
1904,	205,997 32
1905,	197,581 61
Total,	$10,527,474 14

STATEMENT R.

Amount Paid by the State to Support Judiciary for the Years 1886 to 1905, Both Inclusive.

1886,	$506,329 00
1887,	430,479 00
1888,	560,611 00
1889,	508,469 00
1890,	518,840 00
1891,	522,341 00
1892,	546,679 00
1893,	481,218 00
1894,	551,867 00
1895,	594,511 00
1896,	674,570 00
1897,	655,241 00
1898,	638,002 00
1899,	670,072 00
1900,	658,941 00
1901,	652,663 00
1902,	732,656 00
1903,	729,903 00
1904,	723,848 00
1905,	1,098,150 00
Total,	$12,455,390 00

STATEMENT S.

Amount Paid by the State for Support of Township High Schools for 1905.

County.	Amount.
Allegheny,	$720 00
Beaver,	240 00
Bedford,	480 00
Berks,	960 00
Bradford,	720 00
Bucks,	2,520 00
Butler,	960 00
Cambria,	360 00
Centre,	1,320 00
Chester,	5,040 00
Clearfield,	1,200 00
Clinton,	720 00
Columbia,	480 00
Crawford,	1,080 00
Cumberland,	480 00
Dauphin,	600 00
Delaware,	1,080 00
Elk,	1,800 00
Erie,	2,040 00
Franklin,	480 00
Fulton,	240 00
Jefferson,	480 00

STATEMENT S—Continued.

Lackawanna.	240 00
Lancaster,	1,320 00
Lawrence,	1,080 00
Lebanon,	1,560 00
Lehigh,	480 00
Luzerne,	1,080 00
Lycoming,	240 00
McKean,	240 00
Mifflin,	1,200 00
Montgomery,	3,000 00
Northumberland,	1,200 00
Pike,	600 00
Potter,	720 00
Schuylkill,	1,320 00
Sullivan,	360 00
Susquehanna,	840 00
Union,	720 00
Venango,	1,320 00
Warren,	1,560 00
Washington,	1,320 00
Wayne,	1,800 00
Westmoreland,	360 00
Wyoming,	600 00
York,	480 00
Total,	$47,640 00

STATEMENT T.

Amount Paid to the Several Counties During 1905 on Account of Appropriation to Public Schools.

County.	Amount.
Adams,	$39,102 81
Allegheny,	881,311 26
Armstrong,	66,303 43
Beaver,	60,059 02
Bedford,	51,506 61
Berks,	185,143 71
Blair,	108,758 94
Bradford,	94,571 24
Bucks,	76,644 97
Butler,	67,258 61
Cambria,	147,725 70
Cameron,	8,633 95
Carbon,	58,946 38
Centre,	42,014 17
Chester,	105,178 05
Clarion,	46,630 93
Clearfield,	96,407 20
Clinton,	28,007 24
Columbia,	68,581 85

STATEMENT T—Continued.

Crawford,	115,140 31
Cumberland,	62,781 06
Dauphin,	117,777 47
Delaware,	98,430 81
Elk,	50,319 13
Erie,	161,662 09
Fayette,	165,863 41
Forest,	19,920 58
Franklin,	67,230 65
Fulton,	18,553 20
Greene,	43,448 17
Huntingdon,	53,423 43
Indiana,	67,242 77
Jefferson,	89,068 60
Juniata,	24,701 40
Lackawanna,	253,032 45
Lancaster,	192,086 61
Lawrence,	81,295 47
Lebanon,	89,656 70
Lehigh,	93,440 47
Luzerne,	317,386 41
Lycoming,	97,070 87
McKean,	86,287 80
Mercer,	81,508 70
Mifflin,	33,142 65
Monroe,	36,813 63
Montgomery,	158,290 15
Montour,	19,959 83
Northampton,	143,441 10
Northumberland,	113,898 44
Perry,	30,352 68
Philadelphia,	1,369,249 75
Pike,	13,853 29
Potter,	42,239 29
Schuylkill,	174,928 96
Snyder,	25,289 09
Somerset,	74,374 32
Sullivan,	19,963 47
Susquehanna,	62,663 79
Tioga,	85,493 32
Union,	17,434 29
Venango,	65,038 92
Warren,	44,999 58
Washington,	162,304 43
Wayne,	47,243 46
Westmoreland,	208,535 10
Wyoming,	28,672 10
York,	173,657 22
Total,	$7,832,350 00

STATEMENT U.

APPROPRIATION TO PUBLIC SCHOOLS.

1835,	$75,000 00
1836,	75,000 00
1837,	700,000 00
1838,	108,919 00
1839,	108,919 00
1840,	108,919 00
1841,	330,000 00
1842,	200,000 00
1843,	250,000 00
1844,	200,000 00
1845,	200,000 00
1846,	200,000 00
1847,	200,000 00
1848,	200,000 00
1849,	200,000 00
1850,	200,000 00
1851,	200,000 00
1852,	200,000 00
1853,	200,000 00
1854,	230,000 00
1855,	230,000 00
1856,	231,000 00
1857,	280,000 00
1858,	280,000 00
1859,	280,000 00
1860,	280,000 00
1861,	308,000 00
1862,	303,625 00
1863,	316,825 00
1864,	336,825 00
1865,	354,436 00
1866,	355,000 00
1867,	355,000 00
1868,	500,000 00
1869,	500,000 00
1870,	500,000 00
1871,	650,000 00
1872,	700,000 00
1873,	760,000 00
1874,	1,000,000 00
1875,	1,000,000 00
1876,	1,000,000 00
1877,	1,000,000 00
1878,	1,000,000 00
1879,	1,000,000 00
1880,	1,000,000 00
1881,	1,000,000 00
1882,	1,000,000 00
1883,	1,000,000 00
1884,	1,000,000 00

STATEMENT U—Continued.

1885,		1,000,000 00
1886,		1,000,000 00
1887,		1,000,000 00
1888,		1,500,000 00
1889,		1,500,000 00
1890,		2,000,000 00
1891,		2,000,000 00
1892,		5,000,000 00
1893,		5,000,000 00
1894,		5,500,000 00
1895,		5,500,000 00
1896,		5,500,000 00
1897,		5,500,000 00
1898,		5,500,000 00
1899,		5,500,000 00
1900,		5,000,000 00
1901,	$5,000,000 00	
Special,	250,000 00	
		5,250,000 00
1902,	$5,275,000 00	
Special,	250,000 00	
		5,525,000 00
1903,		5,262,500 00
1904,		5,262,500 00
1905,		5,262,500 00
1906,		5,262,500 00
Total,		$110,825,711 00

STATEMENT V.

APPROPRIATIONS TO STATE NORMAL SCHOOLS. MAINTENANCE AND BUILDINGS.

	Maintenance.	Buildings.
1876,	.....	$30,000 00
1877,	.....	100,000 00
1878,	.....	100,000 00
1879,	$50,000 00	
1880,	50,000 00	
1881,	50,000 00	
1882,	50,000 00	
1883,	50,000 00	
1884,	50,000 00	
1885,	50,000 00	
1886,	50,000 00	
1887,	55,000 00	40,000 00
1888,	55,000 00	
1889,	90,000 00	120,000 00
1890,	90,000 00	25,000 00
1891,	45,000 00	152,000 00
1892,	45,000 00	38,500 00

STATEMENT V—Continued.

1893,	65,000 00	191,000 00
1894,	65,000 00	232,000 00
1895,	65,000 00	25,000 00
1896,	65,000 00	
1897,	130,000 00	
1898,	130,000 00	
1899,	130,000 00	
1900,	130,000 00	
1901,	130,000 00	
1902,	130,000 00	
1903,	130,000 00	
1904,	130,000 00	
1905,	130,000 00	
1906,	130,000 00	
Totals,	$2,340,000 00	$1,054,500 00

STATE NORMAL SCHOOLS.

EDUCATING TEACHERS.

1901,	$200,000 00
1902,	200,000 00
1903,	237,500 00
1904,	237,500 00
1905,	237,500 00
1906,	237,500 00
Total,	$1,350,000 00

STATEMENT W.

APPROPRIATIONS TO TOWNSHIP HIGH SCHOOLS.

1901,	$50,000 00
1902,	50,000 00
1903,	50,000 00
1904,	50,000 00
1905,	100,000 00
1906,	100,000 00
Total,	$400,000 00

RECAPITULATION.

Appropriation to public schools,	$110,825,711 00
Appropriations to State Normal schools (including maintenance, buildings and educating teachers),	4,744,500 00
Appropriations for township high schools,	400,000 00
Total,	$115,970,211 00

STATEMENT X.

Table Showing Amount of Taxes Paid Prior to Passage of Law Exempting from Taxation Real Estate, Horses, Cattle, Trades, Occupations and Professions.

1841,	$33,292 00
1842,	486,635 00
1843,	553,911 00
1844,	751,210 00
1845,	1,318,332 00
1846,	1,445,112 00
1847,	1,380,781 00
1848,	1,350,129 00
1849,	1,293,921 00
1850,	1,317,821 00
1851,	1,372,170 00
1852,	1,359,636 00
1853,	1,381,550 00
1854,	1,510,403 00
1855,	1,721,114 00
1856,	1,682,035 00
1857,	1,554,667 00
1858,	1,610,229 00
1859,	1,388,508 00
1860,	1,444,674 00
1861,	1,269,203 00
1862,	1,762,049 00
1863,	1,733,401 00
1864,	1,621,718 00
1865,	1,959,206 00
1866,	919,258 00
1867;	390,960 00
1868,	277,887 00
1869,	454,873 00
1870,	702,165 00
1871,	499,862 00
1872,	561,316 00
1873,	541,607 00
1874,	545,523 00
1875,	551,339 00
1876,	530,808 00
1877,	409,394 00
1878,	413,117 00
1879,	379,319 00
1880,	423,676 00
1881,	431,904 00
1882,	437,776 00
1883,	374,819 00
1884,	502,025 00
1885,	620,971 00
1886,	674,624 00
1887,	864,355 00
1888,	1,014,823 00
1889,	747,871 00
1890,	923,938 00

STATEMENT X—Continued.

1891,	1,906,244 00
1892,	2,235,838 00
1893,	3,502,476 00
1894,	2,386,750 00
1895,	2,307,936 00
1896,	1,716,207 00
1897,	2,476,241 00
1898,	2,722,245 00
1899,	2,764,258 00
1900,	3,157,026 00
1901,	2,563,375 00
1902,	3,530,377 00
1903,	3,176,403 00
1904,	3,228,297 00
1905,	3,446,906 00
Total,	$88,616,496 00

The tax on household furniture, pleasure carriages, gold and silver watches was imposed by the Act of June 11, 1840, re-enacted by Act of April 29, 1844, P. L. 486. These taxes were abolished by Act of May 13, 1887, P. L. 114.

The tax on real estate for State purposes was imposed by Act of April 29, 1844, P. L. 486, and was abolished by Act of February 23, 1866, P. L. 82.

The tax imposed upon trades, occupations and professions was imposed by Act of April 29, 1844, P. L. 486, and was abolished by Act of June 2, 1871, P. L. 281.

A tax was imposed upon horses, mares, geldings, mules and neat cattle by Act of April 29, 1844, abolished by Act of March 21, 1873, P. L. 46.

It will be noted therefore, that in the above table, no tax, except that upon money at interest appears after the year 1887.

STATEMENT Y.

Table Showing the Balances in the Sinking Fund from 1849 to 1905 Inclusive.

1849,	$12,534 65
1850,	18,974 06
1851,	45,309 38
1852,	28,465 75
1853,	7,308 06—Due the Treasury.
1854,	281,293 91—From another source the balance appears as $292,648.30.
1855, 1856, 1857,	414,920 29
1858,	318,364 03
1859,	478,096 15

STATEMENT Y—Continued.

1860, ...	
1861, ...	
1862, ...	
1863, ...	935,353 63
1864, ...	
1865, ...	
1866, ...	
1867, ...	1,511,650 86
1868, ...	934,032 76
1869, ...	1,966,297 85
1870, ...	3,014,529 40
1871, ...	3,478,938 40
1872, ...	3,496,614 03
1873, ...	3,977,921 24
1874, ...	830,438 82
1875, ...	534,028 49
1876, ...	839,992 25
1877, ...	1,705,014 87
1878, ...	958,630 88
1879, ...	1,202,373 18
1880, ...	845,705 25
1881, ...	809,866 10
1882, ...	2,017,073 90
1883, ...	2,049,518 79
1884, ...	1,274,801 68
1885, ...	492,763 97
1886, ...	887,818 67
1887, ...	1,489,023 16
1888, ...	2,368,343 73
1889, ...	2,717,177 37
1890, ...	2,229,214 36
1891, ...	1,259,132 75
1892, ...	602,453 09
1893, ...	889,731 28
1894, ...	66,383 53
1895, ...	440,635 19
1896, ...	812,347 19
1897, ...	1,179,888 69
1898, ...	1,558,400 43
1899, ...	1,954,255 25
1900, ...	2,327,652 12
1901, ...	2,719,956 12
1902, ...	3,717,440 36
1903, ...	3,827,321 86
1904, ...	4,031,217 44
1905, ...	3,600,575 60

For the years 1860 to 1866 inclusive, we are unable to find any reliable data, except for 1863.

The Act of April 10, 1849, P. L. 570, named the Secretary of the Commonwealth, the Auditor General and the State Treasurer as

Commissioners of the Sinking Fund, and specified what revenues should be set aside for the use of the Commission "to purchase the debts of the Commonwealth." Other acts are as follows: April 22, 1858, P. L. 468; April 10, 1868, P. L. 81; April 13, 1870, P. L. 67; April 14, 1870, P. L. 73; May 9, 1874, P. L. 126; Feb. 12, 1876, P. L. 3; June 6, 1883, P. L. 75; May 29, 1891, P. L. 133; Feb. 17, 1906, P. L. 45.

STATEMENT Z.

Statement Showing the Principal Sources of Revenue, and the Principal Items of Expenditure, for 1905, of New York, Pennsylvania, Iowa, Ohio, Missouri, New Jersey and Massachusetts.

RECEIPTS.

	New York, Pop. 1900, 7,268,894.	Pennsylvania, Pop. 1900, 6,302,115.	*Iowa, Pop. 1900, 2,231,853.	Ohio, Pop. 1900, 4,157,545.	*Missouri, Pop. 1900, 3,106,665.	New Jersey, Pop. 1900, 1,883,669.	Massachusetts, Pop. 1900, 2,805,346.
From:							
Corporation tax and bonus,	$6,974,810	$15,606,541	$2,288,099	2,106,454	1,971,961	3,810,964	3,523,654
Personal property tax,		2,446,906					
Collateral inheritance tax,	4,627,051	1,677,185	141,722	406,744	122,050	202,668	694,181
Mercantile license tax,		1,960,598					
Liquor license tax,	9,183,202	1,702,306		1,296,597	419,639	58,888	840,460
Interest on State deposits,	120,104	196,151	12,220	32,069	32,368		130,665
Fees of office,	252,751	177,284	152,607		29,457	154,638	
Municipal and county loans, tax on,		271,556					
Tax on writs, wills and deeds,		190,654					
Direct State tax,	1,151,588						
Transfer of stocks,	1,228,758						
Sale of barge canal bonds,	2,066,043						
Canal debt sinking fund bonds,	902,554						
Excise taxes,							
Convict labor,			56,872	3,500			
Income from counties,			981,830	70,134	271,451	85,256	
Hospitals,							
Insurance companies tax and licenses,					264,147		
U. S. Government,	178,250						839,766
Expenditures.			164,971			222,418	
Schools,	5,866,594	8,600,264	762,990	2,303,697	1,583,234	1,408,432	1,095,739
Personal property tax returned,		2,553,302					
Charities,	8,177,369	4,464,500	1,137,669	3,090,934	1,758,405	900,359	2,608,665
Judiciary,	1,060,829	1,098,150	229,056	398,398	175,000	327,281	448,898
Departments, boards, etc.,	2,391,774	6,143,345	280,294	860,441	1,871,136	441,984	1,630,227
Constructing new capitol,		1,460,000					
Penitentiaries, etc.,	1,051,854	454,861	249,256	528,961	70,468	498,661	998,979
Legislative,	749,014	593,322	73,779	273,193	194,823	95,239	356,566
Military,	1,020,846	377,680	122,753	290,671	38,415	240,534	1,212,067
Bridges,		879,728					
Public printing,	552,854	282,757	78,688	91,560	40,280	55,420	91,835
Commissions to erect hospitals, etc.,		262,872					
Canals,	3,041,382						
Highways, rivers, bridges, etc.,	1,462,957					259,527	45,212
Agricultural societies,	231,327			135,014	47,260	60,445	
Convict system,				132,906	289,139		

*1904.

PART III.

CONTAINS STATEMENT SHOWING SOURCES OF REVENUE FOR STATE PURPOSES; CERTAIN ACTS OF ASSEMBLY OF PENNSYLVANIA IMPOSING TAXES FOR STATE AND LOCAL PURPOSES; A BRIEF EXPLANATION OF THEIR PROVISIONS AND ORIGIN; REFERENCE TO SOME DECISIONS OF THE COURTS CONSTRUING THE VARIOUS ACTS; SUBJECTS OF TAXATION, WITH STATEMENTS SHOWING AMOUNT OF REVENUE DERIVED AND OTHER FACTS IN REFERENCE THERETO.

The Revenues of Pennsylvania are derived, principally, from the following sources:

FROM CORPORATIONS:

Tax on Capital Stock:

Gross Receipts of Transportation and Lighting Companies.
Gross Premiums of Insurance Companies.
Net Earnings of Certain Companies.
Loans of Corporations, Counties and Municipalities.
State Banks.
Shares of National Banks.

Bonus on Charters of Domestic Companies:

Capital invested in Pennsylvania by Foreign Companies.
Annuity for Right of Way.

FROM COUNTIES (collected through):

Tax on Personal Property.
Writs, Wills and Deeds.
Collateral Inheritances.
Fees of County Officers.

LICENSES OF VARIOUS KINDS.

FROM MISCELLANEOUS SOURCES:

Commissions and Fees of Notaries.
Fees of Public Officers.
Escheats.
Sale of Pamphlet Laws.
Fines and Penalties.

The order in which the subjects appear follows that adopted by the Department in its report of the receipts of the Commonwealth.

I-II—TAX ON BANKS—STATE AND NATIONAL.

The first tax on Banks was imposed upon dividends by the Act of May 21, 1814, P. L. 169, and the taxation of these institutions has been a source of large revenue to the State ever since. The tax on dividends continued down to 1867, when the shares of stock of banks became the subject of tax. No subject of State taxation has had so many changes in the rate and method of assessment and collection. The Act of April 1, 1835, P. L. 99, increased the rate of tax imposed by the Act of 1814.

By the Act of June 11, 1840, P. L. 612, and of April 29, 1844, P. L. 486, Banks were made subject to a tax on Capital Stock, in addition to the tax above referred to, on dividends, as appears from the Act of April 16, 1845, P. L. 507, which provided that the Act of 1844 should not be construed to release Banks, etc., from tax on dividends, imposed by prior Acts. The rate of tax on dividends was increased by the Act of March 15, 1849, P. L. 158. Banks and Savings Institutions were included with other corporations and made subject by it to a tax on Capital Stock by Act of April 12, 1859, P. L. 529. They were made subject to tax upon Capital Stock alone by Act of March 20, 1860, P. L. 250, at the same rate as other corporations subject to that tax.

Again in 1866, by Act of February 23d, P. L. 82, the method of taxation was changed. By the latter Act, Banks were exempted from capital stock tax, and in lieu imposed a tax of one per cent. upon the par value of the stock, and the cashier was to collect it from the shareholders and pay the amount into the State Treasury, beginning with July 1, 1866. This Act was practically re-enacted by that of July 19, 1866, P. L. (1867) 1363.

In 1867 the Legislature passed an Act approved April 12, P. L. 74, which repealed the Act of February 23, 1866, and imposed at tax upon the shares of stock of National banks. Other Acts were passed from time to time with reference to the taxation of banks, etc., as follows:

Act of April 2, 1868, P. L. 55, refers to the method of appraising shares of National bank stock.

Act of December 22, 1869, P. L. (1870) 1373, placed State banks and savings institutions in the same class with National banks, including the option of paying a tax of one per cent. on the par value of all their shares, and thus receive the benefit of the exemption provided by Acts of 1867 and 1868.

The Act of March 31, 1870, P. L. 42, provided for the return of all taxes paid on shares of banks which had paid a tax of one per cent.

on the par value of their shares, and also provided that National banks should be liable for county, school, municipal and all other local taxes at the same rate as other moneyed capital owned by individuals.

The Act of June 10, 1881, P. L. 99, abolished the system of assessment by examiners, as provided by the Act of 1867, and required reports to be made to the Auditor General, and extended the privilege to all banks to elect to collect from stockholders, a tax of six mills upon the par value of their shares; said banks were then exempt from further tax upon their shares, and so much of their capital and profits as was not invested in real estate. Upon failure to so elect, the Auditor General, upon the report made to him, was required to settle an account against the individual shareholders and transmit the list to the Commissioners of the proper cities and counties, to be used by them in assessing taxes against the said shareholders.

The Act of June 30, 1885, P. L. 193, included Trust, Safe Deposit, Guarantee, Surety and Real Estate Insurance or Trust companies, with banks, with regard to the option to pay six mills upon the par value of their shares.

The Act of June 1, 1889, P. L. 420, took away the option granted by the Act of 1885. This Act was substantially re-enacted by the Act of June 8, 1891, P. L. 239, which latter Act limited the optional payment of eight mills, above referred to, to National Banks, State banks and savings institutions with capital stock. Upon failure to elect to pay the optional tax of ten mills, a tax of four mills was imposed upon the actual value of the capital stock, ascertained by adding together the capital stock, surplus and undivided profits. National banks are now taxed on the same basis as State banks. The present taxing act was passed July 15, 1897, P. L. 292; it substantially re-enacts the Act of 1891.

CITATIONS FROM OPINIONS.

National banks cannot be taxed by a State, but the shares of the bank may be taxed in the hands of the holder, as other personal property.

The following is a copy of the Revised Statutes of the United States, bearing upon the subject of the taxation of National banks:

Section 5219. "Nothing herein (National Banking Act) shall prevent all the shares in any Association from being included in the valuation of the personal property of the owner or holder of such shares, in assessing taxes imposed by authority of the State within which such association is located; but the Legislature of each State may determine and direct the manner and place of taxing all the shares of National Banking Associations located within the State, subject only to two restrictions: That the tax shall not be at a greater rate than is assessed upon other moneyed capital in the hands of the individual citizens of

such State, and that the shares of any National Banking Association owned by non-residents of any State shall be taxed in the city or county where the bank is located and not elsewhere. Nothing herein shall be construed to exempt the real property of associations from either State, County or Municipal taxes, to the same extent, according to its value, as other real property is taxed."

Shares of National Banks cannot be taxed in the hands of the holders, the tax being collected and paid by the bank direct to the State Treasurer.

Boyer v. Boyer, 113 U. S. 689.

Investment of Capital Stock in United States Bonds does not exempt the shares from tax in the hands of the shareholder.

Bank v. Kentucky, 9 Wall, 353.

The Capital Stock itself, when invested in Federal securities, cannot be taxed.

Van Allen v. Assessor, 9 Wall, 353.

The holders of shares of National Banks of other States are exempt from tax.

Tappan v. Bank, 22 Wall, 490.

As to the taxation of State Banks and Savings Institutions, see—

Wilkes-Barre v. Wilkes-Barre, 148 P. S. 601;
Gourley v. Bowlby, 8 Pa. C. C. 17;
Oil City v. Trust Company, 157 P. S. 458.

The revenue from the taxation of National and State banks for the last three years has been:

	1903.	1904.	1905.
National,	$659,041	$707,913	$747,197
State,	93,738	100,822	99,297
Total,	$752,780	$818,735	$846,494

III—TAX ON NET EARNINGS OR INCOME OF CERTAIN CORPORATIONS.

This tax was first imposed by the Act of April 30, 1864. Under the provisions of Section 27, of the Act of June 1, 1889, P. L. 420, all corporations and limited partnerships, foreign or domestic, which have no capital stock, or which do not pay a tax on capital stock, are required to pay a tax of three per centum upon their annual net earnings or income, in addition to any taxes on personal property to which they might be subject under the first section of above act. This act did not apply to companies chartered or organized for manufacturing purposes.

CITATIONS FROM OPINIONS.

Net Earnings are the product of the business, deducting the expenses only.

Com. v. Pa. Gas Coal Co., 62 Pa. 241.
Com. v. Penn Mut. Ins., 1 Dauphin Co. Rep. 233.

Company applied earnings to the payment of its Capital Stock and reported no net earnings; held that the net earnings taxable was the income after deducting expenses only.

Com. v. Ocean Oil Co., 59 Pa. 61.

Losses on securities not to be deducted.

Phila. v. Com. 98 Pa. 48.

Net Earnings are the excess of gross earnings over the expenditures defrayed in producing them.

Com. v. Phila. & Erie R. R. 164 Pa. 260.

The revenue from tax on net earnings of corporations for the last three years has been as follows:

1903,	$48,767
1904,	54,066
1905,	51,000

IV—TAX ON TRUST COMPANIES.

The taxes upon Trust Companies, Safe Deposit and Insurance Companies, are the same as imposed upon Transportation, Electric, Water and other Companies having capital stock. See Act of June 1, 1889, P. L. 420. The rate is five mills on the actual value in cash of the capital stock.

The revenue from tax on capital stock of Trust companies, etc., for the last three years is as follows:

1903,	$692,378
1904,	817,403
1905,	1,045,532

V—TAX ON STOCK OF BUILDING AND LOAN ASSOCIATIONS.

Under the provisions of the Act of June 22, 1897, P. L. 178, a tax of four mills is imposed on all full paid, prepaid, and fully matured or partly matured stock in all building and loan associations, incorporated under the laws of this State. They are required to make annual reports to the Auditor General's Department the same as other corporations.

The revenue from this source is small and hardly pays for the time, trouble and expense of collection. Less than 100 associations

pay regularly. For the past three years the revenue has been as follows:

1903,	$13,320
1904,	13,187
1905,	12,371

VI—INTEREST ON STATE DEPOSITS.

This source of revenue is comparatively new. Prior to 1897 the State Treasurer was personally liable for all moneys received by him as Treasurer, and he was required to give a bond to the Commonwealth in the sum of $500,000 for the faithful performance of his duties. He selected the depositories of the revenues of the State.

The Act of June 15, 1897, P. L. 157, made it the duty of the State Treasurer to select the Banks, Trust Companies, etc., in which State funds were to be deposited, with the approval of the Board of Revenue Commissioners, but he was not held personally liable for any moneys lost by reason of failures or insolvency of the depositories selected as provided by law. The Board of Revenue Commissioners was composed of the State Treasurer, Auditor General, and Secretary of the Commonwealth.

Under the present Act, bearing date February 17, 1906, P. L. 45, the Banking Commissioner is made a member of the Board of Revenue Commissioners with equal powers. The Act provides that no bank, trust company, etc., shall receive a deposit of State moneys in excess of twenty-five per centum of its paid in capital and surplus, and no institution shall be allowed a deposit in excess of $300,000, except those known as active depositories. The active banks are required to make all collections for the Commonwealth, without compensation, and the deposits in active banks shall not exceed five millions at any one time. The rate of interest is two per cent. on daily balances by all institutions.

It is a remarkable fact that since 1874, when the first State Treasurer was elected by the people, Robert W. Mackey, down to the passage of the Act of 1897, relieving the Treasurer from personal liability, the receipts of the State Treasury have been upward of $250,000,000, and the receipt and disbursement of this amount was attended to without the loss of a single dollar to the State, through or by reason of any default of a State Treasurer. There was one loss of less than $10,000 by reason of the failure of a bank in which a deposit had been made in pursuance of an Act of Assembly, and for which the Treasurer was not responsible.

The revenue from interest on State deposits for the last three years has been as follows:

1903,	$271,364
1904,	311,905
1905,	274,157

VII—TAX ON GROSS PREMIUMS OF FOREIGN INSURANCE COMPANIES.

This tax was first imposed by the Act of April 4, 1873, and the rate was three per cent. upon all premiums received from business transacted within the State. The rate was subsequently reduced to two per cent. by the Act of June 28, 1895, P. L. 409. The tax is collected by the Insurance Department.

Under the provisions of the Act of 1895, the State Treasurer is required to pay to the several cities and boroughs one-half of the net amount received from the two per cent. tax, based upon the premiums received in such cities and boroughs, as shown by the Insurance Commissioner's report. For the past three years, the amount so paid out by the State has been as follows:

1903,	105,271
1904,	113,770
1905,	113,418

The revenue received by the State from Foreign Insurance Companies for the past three years is as follows:

1903,	$1,001,154
1904,	1,109,145
1905,	1,187,425

VIII—TAX ON CAPITAL STOCK OF CORPORATIONS, LIMITED PARTNERSHIPS AND JOINT STOCK ASSOCIATIONS.

This tax was first imposed by Act of June 11, 1840, P. L. 612, and has ever since been the largest source of revenue. By reason of it the Commonwealth was enabled to release real estate from taxation for State purposes and allow increased appropriations to public schools, charities, etc. Various acts have been passed, extending and changing the provisions of the original act, too numerous to quote or refer to in this connection, but inasmuch as the revenue from this source is very large, and many corporate taxpayers are interested, a brief reference to some of the more important Acts of Assembly ought to be made. Under the provisions of the Act of 1840, the rate of tax was fixed at one-half mill on every dollar of the dividends made or declared, and this rate was continued by the following Acts: March 21, 1843, P. L. 121; April 29, 1844, P. L. 486; April 21, 1858, P. L. 419; April 12, 1859, P. L. 529; May 1, 1868, P. L. 108; April 24, 1874, P. L. 68; March 20, 1877, P. L. 6; June 7, 1879, P. L. 112; June 1, 1889, P. L. 420. The last mentioned Act was the most complete of any passed by the Legislature, and most of its provisions are still in force.

Section 4 of the Act of June 8, 1891, P. L. 229, which amended Section 20 of the Act of June 1, 1889, provides as follows:

Section 4. That hereafter, except in the case of Banks, Savings Institutions and Foreign Insurance Companies, it shall be the duty of the president, chairman or treasurer of every corporation having capital stock, every joint-stock association and limited partnership whatsoever, now or hereafter organized or incorporated by or under any law of this Commonwealth, and of every corporation, joint-stock association and limited partnership whatsoever now or hereafter incorporated or organized by or under the laws of any other state or territory of the United States, or by the United States, or by any foreign government and doing business in and liable to taxation within this Commonwealth, or having capital or property employed or used in this Commonwealth, by or in the name of any limited partnership, joint-stock association, company or corporation whatsoever, association or associations, co-partnership or co-partships, person or persons, or in any other manner, to make a report in writing to the Auditor General in the month of November, one thousand eight hundred and ninety-two, and annually thereafter, stating specifically.

First. Total authorized capital stock.

Second. Total authorized number of shares.

Third. Number of shares of stock issued.

Fourth. Par value of each share.

Fifth. Amount paid into the treasury on each share.

Sixth. Amount of capital paid in.

Seventh. Amount of capital on which dividend was declared.

Eighth. Date of each dividend declared during said year ended with the first Monday of November.

Ninth. Rate per centum of each dividend declared.

Tenth. Amount of each dividend during the year ended with the first Monday in said month.

Eleventh. Gross earnings during the year.

Twelfth. Net earnings during said year.

Thirteenth. Amount of surplus.

Fourteenth. Amount of profit added to sinking fund during said year.

Fifteenth. Highest price of sales of stock between the first and fifteenth days of November aforesaid.

Sixteenth. Highest price of sales of stock during the year aforesaid.

Seventeenth. Average price of sales of stock during the year; and in every case any two of the following named officers of such corporation, limited partnership or joint-stock association, namely: The president, chairman, secretary and treasurer, after being duly sworn or affirmed to do and perform the same with fidelity and according to the best of their knowledge and belief, shall, between the first and fifteenth day of November of each year, estimate and appraise the capital stock of the said company at its actual value in cash, not less however than the average price which said stock sold for during said year, and not less than the price or value indicated or measured by net earnings or by the amount of profit made and either declared in dividends or carried into surplus or sinking fund, and when the same shall have been so truly estimated and appraised they shall forthwith forward to the Auditor General a certificate thereof accompanied with a copy of the said oath or affirmation, signed by them and attested by a magistrate or other persons duly qualified to administer the same: Provided, That if the Auditor General and State Treasurer, or either of them, is not satisfied with the appraisement and valuation so made and returned, they are hereby authorized and empowered to make a valuation thereof

based upon the facts contained in the report herein required, or upon any information within their possession or that shall come into their possession, and to settle an account on the valuation so made by them for the taxes, penalties and interest due the Commonwealth thereon with a right to the company dissatisfied with any settlement so made against it to appeal therefrom in the manner now provided by law; and in the event of the neglect or refusal of the officer of any corporation, company, joint-stock association or limited partnership, for a period of sixty days to make the report and appraisement to the Auditor General as herein provided, it shall be the duty of the Auditor General and State Treasurer to estimate a valuation of the capital stock of such defaulting corporation, company, joint-stock association or limited partnership, and settle an account for taxes, penalties and interest thereon, from which settlement there shall be no right of appeal.

Section 21 of the Act of June 1, 1889, P. L. was amended by the Act of June 8, 1893, P. L. 353, and reads as follows:

Section 21. That every corporation, joint-stock association, limited partnership and company whatsoever from which a report is required under the twentieth section hereof, shall be subject to and pay into the treasury of the Commonwealth annually a tax at the rate of five mills upon each dollar of the actual value of its whole capital stock of all kinds, including common, special and preferred, as ascertained in the manner prescribed in said twentieth section, and it shall be the duty of the treasurer or other officer having charge of any such corporation, joint-stock association or limited partnership upon which a tax is imposed by this section to transmit the amount of said tax to the treasury of the Commonwealth within thirty days from the date of settlement of the account by the Auditor General and State Treasurer: Provided, That for the purposes of this act interests in limited partnerships or joint-stock associations shall be deemed to be capital stock and taxable accordingly: Provided also, That corporations, limited partnerships and joint-stock associations liable to tax on capital stock under this section shall not be required to make any report or pay any further tax on the mortgages, bonds and other securities owned by them in their own right, but corporations, limited partnerships and joint-stock associations holding such securities as trustees, executors, administrators, guardians or in any other manner shall return and pay the tax imposed by this act upon all securities so held by them as in the case of individuals: And provided further, That the provisions of this section shall not apply to the taxation of so much of the Capital Stock of corporations, limited partnerships or joint-stock associations organized for manufacturing purpóses, which is invested in and actually and exclusively employed in carrying on manufacturing within the State, except companies engaged in the brewing or distilling of spirits or malt liquors and such as enjoy and exercise the right of eminent domain, but every manufacturing corporation, limited partnership or joint-stock association shall pay the State tax of five mills herein provided upon such proportion of its capital stock, if any, as may be invested in any property or business not strictly incident or appurtenant to its manufacturing business in addition to the local taxes assessed upon its property in the districts where located, it being the the object of this proviso to relieve from State taxation only so much of the capital stock as is invested purely in the manufacturing plant and business: Provided further, In case of Fire or Marine Insurance Companies, the tax imposed by this section shall be at the rate of three mills on each dollar of the actual value of the whole capital stock.

The above Acts, now in force, are those under which the State collects a large portion of its revenue.

The tax on the capital stock of a corporation is a tax on its property and assets and franchises. The corporation is simply a trustee for its stockholders, and they are the real owners of the property, and whether the property is taxed in the name of the corporation or in the name of the shareholders, the ultimate burden falls on the same persons. The fact that the tax is called a tax on Capital Stock is, therefore, not of the essence of the matter; whatever it is called, it is a tax on the property and assets of the shareholders for whom the corporation is simply trustee. The tax is a tax on its property and assets, including its franchise, and the question of the actual value in cash is a question of fact which must be determined by considering the value of its tangible property and assets of every kind, including its bonds, mortgages and moneys at interest, and its franchises and privileges; and the amount of the encumbrances on its property and franchises is also a relevant fact to be considered, but it is not to be specifically deducted from the valuation so ascertained and determined, and the Supreme Court has held, in the case of Commonwealth v. N. Y., P. & O. R. R., 188 Pa. State, 169, that it would be a manifest error to hold that the debt should be deducted from the aggregate value of the property, and thereby withdraw tangible property to that extent from taxation. The shares themselves which represent the owners' interests, less debts, have so little to do with the subject of taxation, the capital stock, that it is immaterial where they are held or who holds them, the property and assets, the capital stock, being in this State, that alone is within the reach of the taxing power. That the owner subjects it to a bad debt in no way changes the relation of the Commonwealth to it as a subject of taxation; it constitutes the same capital stock as before; his relation to his own property has been somewhat changed, for by the mortgage debt he has admitted others to a share of the income, and has given them a lien for their debt; his title, however, remains just the same as if the owner of the legal title to land had placed a mortgage upon it. All the indications of ownership, the possession of the deed and domain over the property continue, as if no debt had been created. The ascertainment of the actual value of the capital stock of solvent and well managed corporations is clearly provided for and readily ascertained; but the act of 1891 was prepared with a view of reaching the property of corporations, where the mortgage indebtedness is equal to or far in excess of the actual value of the property, and which may have the same mileage, traffic, and the same privilege as a solvent one. As the same rule for a fair estimate of the actual value of the stock cannot be adopted, as in the case of a solvent corporation, the Commonwealth's officers proceed under the authority expressly given to make an appraisement. The actual value is a pure question of fact, and is settled and adjusted by the Auditor General and State Treasurer based upon the facts set forth in the report made annually by the officers of the Company, and in case they are dissatisfied with such valuation, they are authorized to make a valuation upon the facts in the report and other information within their possession.

The Constitution and Acts of Assembly require that taxes shall be uniform upon the same class of subjects. The acts imposing a tax on capital stock of corporations provide for the assessment and collection of a tax of "five mills upon each dollar of the actual value of its whole capital stock of all kinds," * * * * * the principal object being to reach actual value. It would be almost impossible to apply the same rule or method of arriving at the actual value of the capital stock of a railroad company as to that of an electric light, water, land, natural gas, mining, brewing, trust or insurance company. In view of the impossibility of adopting a uniform or single method of arriving at a valuation and assessment of all corporations, many years experience in the assessment and collection of the State's revenues has resulted in the adoption of what might be called a sub-classification of the different subjects the desire being to secure uniformity of valuation and assessment upon the same class of corporation taxables. A different form of blank is prepared for each class, calling for certain information, under oath, for facts and conditions differ in each class of corporations.

After the passage of the Act of 1891, settlements were made against many corporations, with a view of having the courts construe its provisions. A number of the opinions are referred to below, the lack of space preventing a general discussion.

CITATIONS FROM OPINIONS.

The leading case is that of the Commonwealth vs. New York, Penna. and Ohio R. R. Co., found in 188 Pa., 169, commonly known as the Nypano case. This was an appeal from a settlement made June 30, 1896, by the Auditor General and State Treasurer, against the defendant corporation, for tax on capital stock for the tax-year 1895. The case was tried without a jury, in the Court of Common Pleas of Dauphin County, Pennsylvania, before Hon. John W. Simonton, P. J.

In an opinion of great length, Judge Simonton goes very fully into the history of the revenue legislation, and decisions leading up to the passage of the Act of June 8, 1891, under which the settlement was made.

His conclusions of law were as follows:

"A tax on the capital stock of a corporation is a tax on its property and assets, including its franchises. The question of the actual value in cash of the capital

stock is a question of fact which must be determined by considering the value of the defendant's tangible property and assets of every kind, including its bonds, mortgages and money at interest, and its franchises and privileges; and the amount of incumbrances on its property and franchises, is also a relevant fact to be considered, but it is not to be specifically deducted from the valuation so ascertained and determined."

Upon appeal, the Supreme Court, in an opinion by Mr. Justice Dean, affirmed the judgment of the Court below. Many authorities are cited in these opinions, to which the reader is referred, it not being the purpose to enter into minute details. This practically settled the question raised as to the character of the capital stock tax, and the intent and purpose of the Act of 1891.

As the provisions of the Act of June 8, 1891, p. 229, and its supplements, apply (except in the case of banks, savings institutions and foreign insurance companies), to every corporation, joint stock association and limited partnership, foreign and domestic, many questions regarding the proper construction of the Act in its application to the different classes of corporations have been passed upon by the courts, as will appear from the following references:

VALUE OF SHARES:

The Acts of 1891 and 1893 impose the tax upon the "whole capital stock" at its "actual value in cash." It may have a market value fixed by sales of shares in the open market—a value fixed by speculation based upon the future, and an actual value. The minimum value fixed by those Acts is that it "shall not be less than the average price which the said stock sold for during the tax year."

"There was but one question in this case. Settlement under Act of June 7, 1879; dividend less than six per cent.; appraisement to be made—company paid on average value for year. The Court held that if the stock was lower when the appraisement was made in November than it was during the previous year, it should be appraised at not less than the average selling price for the year. On the other hand, if it were higher in November, it may be appraised at its increased value. The object of the Act was to raise revenue and it appears to have been drawn with care."

The opinion of the Court below was affirmed:

Com. v. Penna. R. R., 94 Pa. 474.

Where the capital stock is to be appraised at its actual value in cash, "Not less, however, than the average price which said stock sold for during said year," the price ascertained by multiplying the number of shares sold at each sale by the price paid per share, adding together the amounts paid at all sales, and dividing this sum

by the number of shares sold, was held not to be an erroneous method of ascertaining the average price for the year.

Com. v. People's Traction Company, 183 Pa. 405.

Shares of stock distributed to shareholders during the tax year at less than their actual value in cash must be appraised, not at the price at which they were distributed, but at their actual value ascertained as above stated, and must be taxed for the proportion of the tax year remaining at the date of distribution.

Ib.

AMOUNT PAID ON SHARES:

A corporation is liable for tax on capital stock at its appraised value, ascertained in the manner provided by law, notwithstanding the fact that such valuation is greater than the amount actually paid in on each share.

Com. v. Traction Co., 1 Dau. Co. R., p. 178.

There having been no sales during the year of certain shares on which only part of the par value had been paid in, and no evidence as to their value, it is equitable to appraise them at the amount paid in.

Com. v. People's Traction Co., 183 Pa., 405.

NET EARNINGS:

Money expended in enlarging and extending works cannot be deducted from gross earnings: It is an investment of capital and not payment of expense.

Com. v. Minersville Water Co., 4 D. Co. R., 170.

(See Tax on Net Earnings.)

PROPERTY OUTSIDE OF STATE:

"A corporation is not liable to taxation in this State upon so much of its capital stock as is represented by real estate situated, or by personal property of a corporeal nature ordinarily kept, in another State.

Com. v. American Dredging Co., 122 Pa., 386.

The rule, however, as to vessels engaged in foreign or inter-state commerce, is that their situs for the purpose of taxation is their home port of registration.

Ib.

But, its unregistered vessels, not permanently located, in one

place to-day and in another to-morrow, have their situs for taxation in this State, the domicile of the owner.

Ib.

In all cases where the capital stock represents property in this and other States, the proportion representing that outside is not taxed, the power to tax being limited to persons and property within the State. In the case of railroads extending into another State, they are taxable in Pennsylvania on a mileage basis.

MINING LEASES—COAL COMPANIES:

Coal companies owning leases only, no land, some expiring soon—no certainty of renewal—earned 16 per cent.—no sales of stock—assessed at five-sixth of par value—held that proper allowance had been made for possible failure to renew. Assessment sustained.

Commonwealth v. West End Coal, 182 Pa., 353.

DEBTS—DEDUCTION—FRANCHISE:

In ascertaining the value of the capital stock for State taxation under the Act of June 8, 1891, the indebtedness of the company cannot be deducted from the value of the property and assets otherwise ascertained, but it may be considered as one of the relevant facts bearing upon the value of the stock. The value of the franchise may be taken into consideration also. * * * * *

Com. v. Ontario, Carbondale & Scranton Ry., 188 Pa. 205.

FIRE AND MARINE INSURANCE:

The proviso to Section 1 of the Act of 1893 imposes a tax of three mills on capital stock of all companies of this State. (Life and other State companies pay a 5-mill tax.)

LIIMITED PARTNERSHIP COMPANY:

Organized under Act of May 9, 1899, P. L., p. 161, and amendment of May 8, 1901, P. L., p. 149, are liable to bonus and tax on capital stock.

Opinion of Attorney General Carson, October 30, 1903.

LIMITED PARTNERSHIP INTERESTS:

The actual cash value of the stock or interests of a limited partnership for the purpose of taxation is determined by considering the value of the partnership's tangible property, the amount of its business, the rate of dividend declared and the extent and value of its good will and franchises.

Com. v. J. W. Haney Co., 1 Dauphin Co. R., p. 184.

MANUFACTURING COMPANIES:

The capital stock of a corporation, not invested in its manufacturing plant and not actually and exclusively employed in manufacturing within the State, is not exempt from taxation by the Act of June 8, 1893, P. L., 355, but it is taxable upon that part of its capital stock invested in the shares of stock of a foreign corporation, and that invested in bonds and mortgages.

Commonwealth v. Cambria Iron, 5 Dau. Co. R., 101.

FOREIGN CORPORATIONS—MANUFACTURING:

So much of the capital stock of companies, incorporated by other States, organized for manufacturing purposes, as is invested in and actually and exclusively employed in carrying on manufacturing within the State is exempted from taxation by the proviso to Section 21 of the Act of June 8th, 1891, as amended by Section 1 of the Act of June 8, 1893, P. L. 355.

Commonwealth v. American Car & Foundry Company, 5 Dauphin County Reports, 111.

COKE COMPANIES:

A manufacturing corporation organized under the Act of 1874, employing a portion of its capital so as to supply itself with the raw material of manufacture, that fact does not strip it of its character as a manufacturing company, but for such portion of its capital so invested, it is not entitled to exemption from taxation.

Com. v. Juniata Coke Co., 157 Pa., 507.

A corporation organized under the Act of April 29, 1874, P. L., 73, for the purpose of "carrying on the business of mining coal and the manufacture of coke therefrom," which invests a portion of its capital in mining coal to supply its coke ovens, is liable to taxation on such portion of its capital so invested.

Ib.

OIL REFINING COMPANIES:

A limited partnership association organized for the purpose of manufacturing refined oils from crude petroleum, and for the acquisition of necessary lands, leases, rights, tanks, etc., is subject to taxation on the portion of its capital invested in the business of mining and transportation of crude petroleum.

Com. v. National Oil Company, 157 Pa., 576.

BREWING COMPANIES:

The exception of brewing companies, from exemption from capital stock tax granted corporations engaged exclusively in manu-

facturing is not a violation of Sections 1, 2, Article 9, of the Constitution providing for the uniformity of taxation.

Com. v. Germania Brewing Company, 145 Pa., 83.

DISTILLING COMPANIES:

Companies organized to distil liquors and sell the same at wholesale are required to pay a tax of ten mills on each dollar of the actual value in cash of their whole capital stock.

Act approved July 15, 1897, P. L. 294.

BRICK AND CLAY COMPANIES:

Owning or leasing land from which clay is mined and used in the manufacture of fire brick, tiles and other articles from fire clay; the portion of its capital so invested is subject to taxation.

Com. v. Savage Fire Brick Co., 157 Pa., 572.

SLATE COMPANIES:

A corporation organized for the purpose of "Mining, quarrying, manufacturing and selling slate and slate products," which invests a portion of its capital in mining slate for its own use from its own land, is subject to taxation on such portion of its capital so invested.

Com. v. East Bangor Slate Company, 162 Pa., 599.

DWELLING HOUSES:

Investment of a manufacturing company's capital in dwelling houses for its employes does not differ from any other investment that might be made outside of its business as a manufacturing company and the portion of the capital thus invested is not exempt from State tax.

Com. v. Mahoning Rolling Mill Co., 129 Pa., 360.

PATENTS:

Where stock is issued by a corporation in payment for a right to use patented articles, neither the patent nor an interest therein being assigned to the company, the stock so issued is not exempt from taxation as being an investment in a patent right.

Com. v. Central District & P. T. Co., 145 Pa., 121.

Capital stock issued by a corporation in consideration of the exclusive right to use a patented appliance within certain territory, the patentee retaining exclusive ownership of the patent, and absolute control over the manufacture, use and disposition of the instruments to be used by the licensee is not an investment in patented rights, and is therefore taxable.

Ib.

ELECTRIC COMPANIES:

A corporation engaged in producing electricity and selling it to customers for the generation of light, heat or power, is not a manufacturing corporation, within the meaning of Section 20, Act of June 30, 1885, P. L., 199, exempting from taxation the capital stock of manufacturing corporations.

Com. v. Northern Electric L. & P. Co., 145 Pa., 105.

PULLMAN COMPANY:

An appeal from a settlement for tax on capital stock. Upon appeal from the judgment of the court below, the Supreme Court of the United States affirmed the court below, which held "that the mode adopted by Pennsylvania to ascertain the proportion of the company's property taxable in that State, by taking as a basis of assessment such proportion of the capital stock of the company as the number of miles over which it ran cars within the State bore to the whole number of miles, in that and other States, over which its cars were run, was a just and equitable method of assessment; and, if it were adopted by all the States through which these cars ran, the company would be assessed upon the whole value of its capital stock, and no more."

Pullman v. Penna., 141 U. S. 18.

The revenue from tax on Capital Stock for the last three years has been:

1903,	$6,848,735
1904,	5,449.251
1905,	8,927,649

IX—TAX ON LOANS OF PRIVATE CORPORATIONS.

(See also Tax on Personal Property and Tax on Municipal and County Loans.)

This method of collecting the Personal Property Tax upon the Bonds, Mortgages or other evidences of indebtedness of private corporations was introduced in 1864, April 30, P. L. 218. This Act was followed by the Act of May 1, 1868, P. L. 108. This last mentioned Act attempted to tax such securities as were held by nonresidents, and it was declared to be unconstitutional, as was a subsequent Act approved June 10, 1881, P. L. 99.

It was not until the passage of the Act of June 30, 1885, P. L. 194, that the necessary machinery for the collection of the tax was provided. The tax is at the present time collected in pursuance to the provisions of that Act and its supplements. The Act of 1885, of course, withdrew this class of corporate securities, or evidences

of indebtedness, from the general class of personal property to be assessed by the local authorities. In other words, the Bonds, Mortgages, Notes or other evidences of indebtedness of Pennsylvania corporations bearing interest, held by individual residents (and certain companies) are not to be included in their return of personal property to the local assessor, for the reason that the law requires the treasurer of the corporation, issuing such bonds, mortgages, etc., to deduct the 4-mill tax from the interest when paid by him to the holder.

The treasurer of the corporation is the agent of the State for the collection of this tax, and is entitled to deduct from the gross amount of tax assessed his compensation as follows:

Five per cent. on the first $1,000 of tax.
One per cent. on the second $1,000 of tax.
One-half of one per cent. on the balance of tax.

The Act of Assembly under which this class of personal property is taxed, was approved June 30, 1885, P. L. 194, and is as follows:

Section 4. "That hereafter it shall be the duty of the treasurer of each private corporation incorporated by or under the laws of this Commonwealth, or the laws of any other State or of the United States, and doing business in this Commonwealth, upon the payment of any interest on any scrip, bond or certifificate of indebtedness issued by said corporation to residents of this Commonwealth, and held by them, to assess the tax imposed and provided for State purposes upon the nominal value of each and every said evidence of debt, and to report on oath annually on the first Monday of November to the Auditor General the amount of indebtedness of the corporation owned by residents of this Commonwealth, as nearly as the same can be ascertained, and it shall be his further duty to deduct three mills on every dollar of the interest paid as aforesaid, and return the same into the State Treasury within fifteen days after the 31st of December in each year, and his compensation for his service shall be the same that city and borough treasurers receive for similar services; and for every failure to assess and pay said tax and make report as aforesaid, the Auditor General shall add ten per centum as a penalty to the amount of the tax; on payment of said tax by a corporation the bonds, certificates, or other evidences of indebtedness issued by it shall be exempt from all taxation in the hands of the holders of the same." Approved June 30, 1885, P. L. 194.

An Act approved June 8, 1891, P. L. 229, increased the rate of tax on personal property from three (3) to four (4) mills, and extended the provisions of the Act of June 30, 1885, as will appear by reference thereto.

The Act of 1885 applies to corporations of this State, viz: Railroads, railways, traction, motor, transportation, telegraph, telephone, electric light, water, gas, mining, coal, oil, manufacturing companies, and all other companies having a bonded, funded, mortgage or other outstanding indebtedness bearing interest, and they are required to report annually to the Auditor General, whether they have any such loans or not.

Many difficulties were encountered by the Department in enforcing the provisions of the Acts taxing loans of corporations.

The Act of 1885 was first attacked upon the ground that it was unconstitutional, as the prior Acts of 1868 and 1881 had been declared to be. Then again, upon the ground that the tax was three mills on each dollar of the interest paid, and not three mills upon the full or par value of the loan upon which interest had been paid. In addition, there were many other objections resulting practically in stopping the State's revenue from this source for several years.

In no sense is this a tax upon the corporation or its property, but it is a tax upon the personal property of the individual citizen owning the bonds, mortgages or other evidences of indebtedness of a Pennsylvania corporation, assessed and collected by the treasurer of the corporation as the agent of the State for that purpose. It is a fact to be noted in this connection that upwards of seventy-five per cent. of the mortgages made to secure the payment of corporate bonds or other indebtedness contain a covenant providing that the interest or coupon shall be paid to the owner or holder "free and clear of all State taxes," the company thus assuming to pay the debt or liability of the holders of the obligations.

This assumption, in a measure, defeats the very purpose of the law, which was intended to tax all personal property.

CITATIONS FROM OPINIONS.

The following quotations from certain opinions of the various courts explain many of the provisions and purposes of the Act.

The duty imposed upon the Treasurer of a corporation to ascertain the location of its bonds and other interest bearing indebtedness has been the subject of frequent construction by the Courts. In one case the Supreme Court held "that the duty of the company is to use due diligence to ascertain the residence of its bond holders, and whether it has or has not done so, is a question of fact, in each case, to be determined by the circumstances and the evidence."

Com. v. Lehigh Valley R. R. Co., 186 Pa., 235.

In another, it was held that "When the return of a corporation of its corporate indebtedness, for taxation under Section 4, Act of June 30, 1885, P. L. 194, fails to show, and on appeal from the official settlement, the company does not prove what part thereof is held by non-residents, it is liable to taxation upon the whole amount."

Com. v. Penna. Salt Mfg. Co., 145 Pa., 53.
Com. v. City of Chester, 123 Pa., 626.

Again, "It is the duty of the Treasurer of a corporation * * * * to show affirmatively that he has used the utmost diligence in endeavoring to ascertain the residence of the holders of the obligations or loans, and if he fails to do so and returns a large number as being held by persons whose residence is unknown, the corporation will be liable for his negligence and will be charged with a tax on all its loans."

Com. v. People's Pass. Ry., 183 Pa., 353.

In another case it was held by the Supreme Court that " it must be assumed that the obligations of Pennsylvania corporations are held by residents in the absence of proof to the contrary."

Com. v. Lehigh Valley R. R., 129 Pa., 430.
Com. v. Northern Central Ry., 2 Dauphin Co. Rep., 67.

The tax on corporate bonds or loans, imposed by the Act of June 30, 1885, is not a tax laid on the company, nor on the bondholders as a body, but upon each resident bondholder as an individual.

Com. v. Phila. & Reading R. R. Co., 150 Pa., 312.

It was made the duty of the Treasurer of a corporation, by the fourth section of the Act of 1885, to assess and retain and pay over to the State the tax imposed by the first section of the Act of June 8, 1891, on so much of its indebtedness as was held and owned by residents of Pennsylvania, and if he fails to do so the corporation is liable.

Com. v. Wilkes-Barre and Scranton Ry., 162 Pa., 614.

Where an act is required to be done annually, and no day is designated either in express words or by implication, for the beginning of the year, it will ordinarily be presumed that the calendar year was intended.

Com. v. Lehigh Valley R. R. Co., 129 Pa., 429.

Under Section 4, of the Act of June 30, 1885, bonds issued by a corporation of this State, doing business therein, and held by other corporations of the State in trust for persons "whose residence is unknown," are subject to the State tax of four mills imposed by said section.

Ib.

And in a case where a corporation has wholly disregarded its duty and neglected to assess and collect the tax on such bonds, as required by Section 4 of said Act, and especially in the absence of any proof to the contrary, the bonds must be presumed to be owned by residents of Pennsylvania.

Ib.

Due diligence must be exercised to ascertain the location of obligations: Bonds located by the Auditor General are taxable.

Com. v. Northern Central Ry. Co.; 2 Dau. Co. Rep., 67.

Bonds or other obligations held in trust for individuals whose residence is unknown are taxable.

Com. v. North Pa. R. R., 129 Pa., 460.

Bonds or other obligations of corporations of municipalities, or counties, held and owned by non-residents, are not taxable in Pennsylvania.

Tax on foreign-held bonds, 15 Wallace, 300.

Notwithstanding the many objections and difficulties encountered, the collection of the tax on corporate indebtedness has been remarkable successful in Pennsylvania in taxing a class of securities difficult to reach through the local assessor.

The revenue collected by the Department from tax on corporate loans for the last three years has been as follows:

1903,	$1,435,950
1904,	1,177,174
1905,	1,662,085

X—TAX ON GROSS RECEIPTS OF TRANSPORTATION, TRANSMISSION AND ELECTRIC LIGHT COMPANIES.

This tax was first imposed by the Act of February 23, 1866, P. L. 82, and the rate was three-fourths of one per cent. upon the gross receipts of every railroad, canal and transportation company. The Act of March 20, 1877, P. L. 6, changed the rate to eight mills and included some classes of companies not named by the previous Act. This was followed by the Act of June 7, 1879, P. L. 112, which was substantially re-enacted by the Act of June 1, 1889, Sec. 23, P. L. 420. By virtue of its provisions all transportation and transmission companies of every description are subject to a tax of eight mills on the dollar of their gross receipts derived from passenger and freight traffic transported wholly within the State, and from telegraph, telephone and express business done wholly within the State, and all electric light companies are subject to a like tax upon their gross receipts derived "from business of electric light companies."

The tax has been declared to be a franchise tax and constitutional, when imposed, in case of railroads and other transportation companies upon the receipts derived from freight and passenger traffic, transported wholly within the State, and in the case of telegraph and telephone companies, upon receipts from business done wholly within the State, and upon the business of electric light companies.

The provisions of the above Act are so well understood that only a few citations for the different classes of companies need be given.

RAILROADS—RAILWAYS—CANAL:

The State looks first to the lessee for the tax.

Com. v. U. S. Express Company, 157 Pa., 579.

A Railroad corporation is liable to taxation by the State upon its receipts, for the mileage within the State, from transportation by continuous carriage from a point in the State to another point in the State, but over a line which, in its course between those points passes out of the State into another State and back again into the State.

Lehigh Valley R. R. Co., v. Com., 145 U. S., 200.

In the carriage of freight and passengers between two points in one State, the mere passage over soil of another state, does not render that business foreign, which is otherwise domestic.

Ib

The Act is valid as to all receipts derived from commerce, which is wholly confined within the limits of the State, although the company doing the business is a foreign corporation. If such corporation comes into Pennsylvania and carries on here the business of internal commerce, its receipts therefrom may be taxed precisely as if it were a domestic corporation.

Com. v. Del. & Hud. C. Co., 21 W. N. C., 406.

Receipts from transportation by continuous carriage between points both of which are in Pennsylvania are subject to taxation by said State, although while in transit the freight and passengers were carried out of the State and in again.

Com. v. N. Y., L. E. and W. R. R. Co., 21 W. N. 410.

Receipts from transportation of United States mail are not taxable.

Com. v. D., L. & W. R. R. Co., 21 W. N. C., 412.

ELECTRIC LIGHT COMPANIES:

The Edison Electric Light Company of Philadelphia appealed from a settlement made for tax on gross receipts, claiming that in addition to the electric light business, it supplied power by means of electricity to manufacturing corporations, firms and individuals, for which power they received a very large sum. By its charter it was authorized to sell "Electric light, heat and power." It admitted its liability as to the gross receipts derived from the supply of light,

but claimed exemption from taxation upon the revenue derived from the supply of power, and from sales of electric supplies, such as lamps, drop lights, fans, etc. Judge Weiss in deciding the case in the Court of Common Pleas of Dauphin County, said: "We regard the opinion sound, which holds a corporation liable to a tax on the fruits resulting from the exercise of a corporate privilege akin to and identical with another in point of subject matter and employment of agency, and different only in the method of application of the agency and name of the product, respecting which other privilege there is not only no dispute, but admitted liability. This is the manifest intention of the Legislature, expressed in clear and unmistakable language in the taxing Act.

"The conclusion of law is, that the defendant companies are each liable to taxation upon the gross receipts derived from the sale or supply of electrical power, in the amount returned by them, respectively, to the Auditor General, for the tax period embraced in the settlements made against them by the Commonwealth.

"We are further of the opinion that the items designated, variously 'sale of steam' 'sale of electric supplies, such as lamps, drop lights,' etc., etc., 'sales of scrap and other material,' should be added to the gross receipts from light and power.

"They are the proceeds of sales of articles used in lighting, or in the conduct of the business of the electric light companies, as hereinbefore defined, and should be added to the other taxable items and taxed as gross receipts.

"The other items returned under the heading 'from all other sources' or otherwise, not the result of sales of the product of the business of the company engaged in electric lighting, are not taxable." * * * * * * *"

Com. v. Edison Electric Light Co., 5 Dau. C. R., 89.

The Supreme Court in affirming the lower Court, said, inter alia, "The tax is not to be paid upon the gross receipts from electric lighting, but upon the gross receipts of the business of the company. For the purpose of enlarging and swelling the volume of its business, it furnishes not only electric light, but electric power to manufacturers and sells electric supplies. Having so extended its business beyond the mere furnishing of light by electricity, the company has largely increased its revenues, and it would be a strained construction of the words of the statute if the gross receipts from its business should be interpreted as meaning only its gross receipts from electric lighting, simply because it is called an electric light company. It is taxed on what it does. The statute imposes the tax not upon a portion of its receipts—those derived from a particular commodity it supplies to the public—but upon all its re-

ceipts from its general business conducted under its franchises. Having, under what it regards as its franchises, not questioned by the Commonwealth, enlarged its business by extending the same beyond the mere furnishing of light, and having realized largely increased revenue from so doing, its plea for abatement of the tax claimed by the State is ungracious, and cannot avail it in the face of the statute declaring what it shall pay. This, in a very clear opinion, to which nothing can be profitably added, was the view of the learned judge below, and the judgment is affirmed."

Com. v. Edison Electric Light Co., 204 Pa., 252.

EXPRESS COMPANIES:

The gross receipts received from traffic within the State are taxed by the same Act as the gross receipts of railroads, etc. The tax upon the whole of the gross receipts of an express company is not illegal double taxation, although the amounts paid by the express company to railroad companies for transportation are included in the gross receipts of railroad companies and taxed as such.

Com. v. U. S. Express Co., 157 Pa., 579.

TELEGRAPH AND TELEPHONE COMPANIES:

It was held that a telephone company incorporated under the Acts of 1874 and 1876 (P. L. 74 and P. L. 90), for "the construction and maintenance of a telegraph line," was subject to a gross receipt tax imposed by the revenue Act of June 7, 1879 (P. L. 116), upon those derived by "every telegraph company" from "telegraph business." It is the different appliances through, or by means of which, different effects are produced. The medium or agency is the same. For the like reason that a telephone company is a telegraph company for taxable purposes; a company supplying electric power is the same as an electric light company, for a similar purpose.

The same subtile fluid produces different effects according to the method used, or mechanism employed to apply it to intended results.

Com. v. Penna. Telephone Co., 2 Dauphin Co. Rep., 57.

The Commonwealth of Pennsylvania is not entitled to recover of a telegraph company taxes on telegraphic messages sent, except in reference to messages transmitted wholly within the State.

Western Union Tel. Co. v. Com., 128 U. S., 39.

The revenue from tax on gross receipts of the various classes of companies for the past three years has been as follows:

1903,	$1,095,351
1904,	1,207,753
1905,	1,186,461

XI—TAX ON GROSS PREMIUMS OF DOMESTIC INSURANCE COMPANIES.

The tax on gross premiums of insurance companies in Pennsylvania was first imposed by Act of March 20, 1877, P. L. 102. The present Act bears date June 28, 1895, P. L. 409, and is as follows:

"Section 1. That hereafter it shall be the duty of the president, secretary or other proper officer of each and every insurance company or association incorporated by or under any law of this Commonwealth, except companies doing business upon the purely mutual plan without any capital stock or accumulated reserve, and purely mutual beneficial associations whose funds for the benefit of members, their families or heirs are made up entirely of the weekly or monthly contributions of their members and the accumulated interest thereon, to make report in writing to the Auditor General semi-annually upon the first days of July and January in each year, setting forth the entire amount of premiums and assessments received by such company or association during the preceding six months, whether the said premiums and assessments were received in money or in the form of notes, credits or any other substitutes for money; and every such company or association shall pay into the State Treasury semi-annually on the last days of January and July, in addition to any other taxes to which it may be liable under the first and under the twenty-first sections of this act, a tax of eight mills upon the dollar upon the gross amount of said premiums and assessments received from business transacted within this Commonwealth: Provided, That said report shall be made under oath or affirmation, and that it shall be the duty of the accounting officers of the Commonwealth to add ten per centum to the account of any company or association whose officers shall neglect or refuse for a period of thirty days to make the said report or to pay into the State Treasury the tax imposed by this section."

The revenue from tax on gross premiums for the past three years has been as follows:

1903,	$83,636
1904,	92,311
1905,	106,106

XII—BONUS ON CAPITAL STOCK OF CORPORATIONS.

Bonus is not, strictly speaking, a tax, but it is the price or consideration paid for the charter privileges granted by the Commonwealth, and the amount thereof is paid directly to the State Treasurer.

Special Acts of Assembly, passed prior to the adoption of the constitution of 1874, provided for the payment of a bonus, but it was not until the passage of the Act of May 1, 1868, P. L. 113, that a bonus was imposed generally upon corporations. The rate was one-fourth of one per cent. upon the amount of authorized capital, or upon any subsequent increase thereof. The act did not apply to

railroad, canal, turnpike, bridge or cemetery companies, and companies incorporated for literary, charitable or religious purposes.

Later Acts were April 18, 1874, P. L. 62; April 29, 1874, P. L. 107; May 22, 1878, P. L. 97; May 7, 1889, P. L. 115; June 15, 1897, P. L. 156; May 3, 1899, P. L. 189; February 9, 1901, P. L. 3. The Act of 1897 changed the rate to one-third of one per cent., and the Act of 1899 required the payment of bonus by all classes of corporations of the second class, except building and loan associations. The Act of 1901 required the payment of bonus on the actual increase instead of the authorized and provided a penalty for failure to file a return, in the sum of $5,000.

Prior to the passage of the Act of May 8, 1901, P. L. 149, limited partnerships were not required to pay a bonus on their capital paid in. That Act called for the payment at the same rate as corporations were required to pay, one-third of one per cent. on the amount of capital stock, and a like bonus on any subsequent increase. The receipt of the State Treasurer for the payment must be recorded in the county where the partnership transacts business at the same time the articles of association are.

Under the provisions of the Act of May 8, 1901, P. L. 150, foreign corporations were, for the first time in the history of the State, required to pay a bonus for the privilege of doing business in Pennsylvania. This was fixed at the rate of one-third of one per cent. on the amount of capital employed wholly within the State, and a like bonus on any subsequent increase. Foreign corporations must file a bonus report annually not later than November 30, showing such increase, if there be any. Other Acts referring to bonus imposed on special classes of corporations are as follows: April 7, 1849; April 20, 1853; May 29, 1885; March 22, 1887; June 25, 1895.

CITATIONS.

The most important decision under the foreign bonus act of May 8, 1901, was given in the case of Com. v. Danville Bessemer Co., 6 Dauphin Co. R., p. 65. Briefly, it was held by the Court that the act could not be held to apply to the capital of those foreign corporations that were never doing business in this State prior to the passage of the Act of May 8, 1901, and had complied with the laws then in force and affecting foreign corporations. The Supreme Court affirmed the judgment of the lower Court, in an opinion filed January 4, 1904.

A corporation created by special Act of Assembly in 1865, in which the payment of bonus is not mentioned, there being no general act imposing a bonus prior to that date, is not required to pay a bonus upon an increase of its capital stock; to require such payment would be to impair the obligations of a contract:

Com. v. E. & W. Transportation Co., 107 Pa., 112.

The above ruling applies only to corporations which were created or chartered prior to the general bonus Act of May 1, 1868. Those created or chartered by special or general Acts since that date are liable, unless in the classes specifically exempted.

See also Com. v. Warren Savings Bank, C. P. Dau. 376, J. T. 93; Com. v. Alliance Coal Co., 13 W. N. C., 324; Com. v. International Navigation Co., 5 Dau. Co. Reports, 146.

The revenue from bonus for the past three years has been as follows:

1903,	$1,215,670
1904,	508,084
1905,	915,892

XIII—TAX ON PERSONAL PROPERTY.

Personal property subject to taxation for State purposes is assessed and collected under the provisions of the following acts: Act of June 1, 1889, P. L. p. 420, being a supplement to the Act of June 7, 1879, and the Act of June 8, 1901, P. L. p. 229. Section 1 of the latter act provides, inter alia, as follows:

"That from and after the passage of this act, all personal property of the classes hereinafter enumerated, owned, held or possessed by any person, persons, co-partnership or unincorporated association or company, resident, located or liable to taxation within this Commonwealth, or by any joint-stock company or association, limited partnership, bank or corporation whatsoever, formed, erected or incorporated by, under or in pursuance of, any laws of this Commonwealth or of the United States, or of any other state or government, and liable to taxation within this Commonwealth, whether such personal property be owned, held or possessed by such person or persons, copartnerships, unincorporated association, company, joint-stock company or association, limited partnership, bank or corporation, in his, her, their or its own right, or as active trustee, agent, attorney-in-fact or in any other capacity for the use, benefit or advantage of any other person, persons, co-partnerships, unincorporated association, company, joint-stock company, or association, limited partnership, bank or corporation is hereby made taxable annually for State purposes at the rate of four mills on each dollar of the value thereof, and no failure to assess or return the same shall discharge such owner or holder thereof from liability therefore to the Commonwealth, that is to say:

"All mortgages, all moneys owing by solvent debtors, whether by promissory note or penal or single bill, bond or judgment, all articles of agreement and accounts bearing interest; all public loans whatsoever, except those issued by this Commonwealth or the United States, all loans issued by or shares of stock in any bank, corporation, association, company or limited partnership, created or formed under the laws of this Commonwealth or of the United States or of any other state or government, including car trust securities and loans secured by bonds or any other form of certificate or evidence of indebtedness, whether the interest be included in the principal of the obligation or payable by the terms thereof, except shares of stock in any corporation or limited partnership liable to the capital stock tax imposed by the twenty-first section of this act, or re-

lieved from the payment of tax on capital stock by said section; all moneys loaned or invested in other states, territories, the district of Columbia or foreign countries; all other moneyed capital in the hands of individual citizens of the State: Provided, That this section shall not apply to bank notes, or notes, discounted or negotiated by any bank or banking institution, savings institution or trust company: And provided, That the provisions of this act shall not apply to building and loan associations."

Section 3, of the above Act, provides, inter alia, as follows:

"That three-fourths of the net amount of tax based on the return of property subject to taxation for State purposes required to be made to and accepted by the State board of revenue commissioners, annually, by county commissioners and the board of revision of taxes in cities co-extensive with counties, that is collected and paid into the State Treasury by a county, or city co-extensive with a county, shall be returned by the State Treasurer to such county or city co-extensive with a county for its own use in payment of the expenses incurred by it in the assessment and collection of the said tax: Provided, That in consideration of the return to counties, and cities co-extensive with counties, of the tax as aforesaid, no claim shall be made upon or allowed by the Commonwealth for abatements, tax collectors' commissions, extraordinary expenses, uncollectible taxes or for keeping a record of judgments and mortgages."

The State tax on personal property is assessed by the County Commissioners and local assessors, or by the Board of Revision of Taxes where such exists. The tax is paid to the County Treasurer and by him paid into the State Treasury. The commission of county treasurers for the payment of the State tax on personal property is fixed by the following Acts. Acts of March 25, 1831, P. L. p. 208; Act of June 11, 1840, P. L. p. 614. The Courts have frequently passed upon the commission allowed to city and county treasurers: See case of Philadelphia v. Martin, 125 Pa., p. 583; also the case of Philadelphia v. McMichael, 208 Pa., page 297. In the latter case the Supreme Court held that in counties having over one hundred and fifty thousand inhabitants the county treasurer is not entitled to commissions on personal property tax or tax on municipal loans collected by him and paid into the State Treasury, while the case of Philadelphia v. Martin above referred to is explained and distinguished.

The Act of May 24, 1878, P. L. p. 126, provides that personal property subject to taxation for State purposes shall be returned by the Commissioners of the several counties and the Board of Revision of Taxes, where such exists to the Board of Revenue Commissioners. The Auditor General, State Treasurer and Secretary of the Commonwealth constitute said Board of Revenue Commissioners. It is their duty to ascertain and determine the fair and just value of personal property of said cities and counties of this Commonwealth made taxable by law, adjusting and equalizing the same as far as possible, * * * * * to make a statement of

the same, assigning to each city or county the value of taxable personal property therein, and the quota of tax to be raised therefrom. On the filing of such statement in the office of the State Treasurer, the State Treasurer is then authorized by the Board of Revenue Commissioners to issue the annual precept or demand for the payment of State tax on personal property in each of the counties of this Commonwealth.

All revenue blanks needed for making the assessment of personal property subject to taxation for State purposes are required to be prepared and supplied by the Auditor General. The revenues derived by the Commonwealth from State tax on personal property for the past three years were as follows:

1903,	$3,176,403 27
1904,	3,228,297 33
1905,	3,446,906 04

Of this amount there was returned to the several counties of the Commonwealth during the same period, thus aiding in reducing the burden of local taxation, the following amounts:

1903,	$2,056,656 39
1904,	2,800,572 84
1905,	2,553,392 00

XIV—TAX ON WRITS, WILLS, DEEDS, ETC.

This tax is collected as provided for in the Act of April 6, 1830, P. L. p. 274. The tax on writs, wills, deeds, etc., is collected by the Prothonotary, Register of Wills and Recorder of Deeds in each of the several counties. The Act of April 6, 1830, provides, inter alia, as follows:

"Section 3. * * * That the prothonotaries of the courts of common pleas and of the district courts(* * *) and the court of nisi prius of this Commonwealth, shall demand and receive on every original writ issued out of said courts (except the writ of habeas corpus), and on the entry of every amicable action, the sum of fifty cents; on every writ of certiorari issued to remove the proceedings of a justice or justices of the peace or alderman, the sum of fifty cents; on every entry of a judgment by confession or otherwise, where suit has not been previously commenced, the sum of fifty cents; and on every transcript of a judgment of a justice of the peace or alderman, the sum of twenty-five cents.

"Section 4. And be it further enacted by the authority aforesaid, That the several recorders of deeds shall demand and receive for every deed, and for very mortgage or other instrument in writing, offered to be recorded, fifty cents.

"Section 5. And be it further enacted by the authority aforesaid, That the several registers of wills shall demand and receive for the probate of a will and letters testamentary thereon, the sum of fifty cents, and for granting letters of administration, the sum of fifty cents.

"Section 6. And be it further enacted by the authority aforesaid, That in lieu of the fees now receivable by the Secretary of the Commonwealth, for the use of the Commonwealth, there shall be demanded by and paid to the recorders of deeds within the city of Philadelphia and of the respective counties, upon the several commissions hereafter named, at or before the delivery thereof, to the several officers commissioned, viz: On the commission of * * * health officers, lazaretto physician and port physician, * * * on the commission of a prothonotary, clerk of oyer and terminer, of quarter sessions, of orphans' court * * * register of wills, recorder of deeds, * * interpreter of foreign language, sheriff of a county, each the sum of ten dollars."

The commission allowed Prothonotaries, Registers of Wills and Recorders of Deeds in the several counties for the collection and payment of tax on writs, wills, deeds, etc., is fixed by the Act of April 6, 1830, Section 7, P. L. p. 274.

The revenues derived by the Commonwealth from tax on writs, wills, deeds, etc., during the past three years, were as follows:

1903,	$181,732 10
1904,	180,142 40
1905,	190,653 69

XV—TAX ON COLLATERAL INHERITANCES.

The Act of May 6, 1887, P. L. p. 79, is a codification and re-enactment of all prior provisions relative to the tax on collateral inheritances. The first section provides, inter alia, as follows:

"That all estates, real, personal and mixed, of every kind whatsoever, situated within this State, whether the person or persons dying seized thereof be domiciled within or out of this State, and all such estates situated in another State, Territory or country, when the person, or persons, dying seized thereof, shall have their domicil within this Commonwealth, passing from any person, who may die seized or possessed of such estates, either by will, or under the intestate laws of this State, or any part of such estate, or estates, or interest therein, transferred by deed, grant, bargain, or sale, made or intended to take effect, in possession or enjoyment after the death of the grantor, or bargainer to any person or persons, or to bodies corporate or politic, in trust or otherwise, other than to or for the use of father, mother, husband, wife, children and lineal descendents born in lawful wedlock, or the wife, or widow of the son of the person dying seized or possessed thereof, shall be and they are hereby made subject to a tax of five dollars on every hundred dollars of the clear value of such estate or estates, * * * Provided, That no estate which may be valued at a less sum than two hundred and fifty dollars shall be subject to the duty or tax."

Other Acts relative to collateral inheritance tax are as follows:

Act of March 5, 1903, P. L. p. 12, exempting bequests and devises in trust for the care and preservation of burial lots; and the Act of April 22, 1905, P. L. p. 258, being an Act to amend Section 1 of an Act, entitled "An Act to provide for the better collection of collateral inheritance taxes, approved May 6, A. D. 1887," so as to include among the persons taking an estate or any part thereof, to whom the Act does not apply, the children of a former husband or wife.

Collateral Inheritance Taxes are collected in this Commonwealth by the Register of Wills of each county. The rate of commission allowed Registers for collecting and paying over collateral inheritance tax is fixed by the Act of May 14, 1891, P. L. p. 59, except in cities of the first class, where the compensation or commissions of county officers acting as agents of the Commonwealth for the collection of moneys shall not exceed the sum of $5,000 during any one year, and any compensation or commission in excess of that sum which he might otherwise be entitled to receive or retain, shall belong to the Commonwealth and shall be returned to the State Treasurer. See Act of July 10, 1901, P. L. p. 630. The fee of the appraisers of collateral inheritance tax is fixed by the Act of June 26, 1895, P. L. p. 325. The decisions of the Court relative to the assessment and collection of collateral inheritance tax are so numerous that we deem it best not to consider them in this statement.

The revenues derived by the Commonwealth from the payment of collateral inheritance tax during the past three years were as follows:

1903,	$1,300,834 76
1904,	1,080,578 08
1905,	1,677,185 48

XVI—TAX ON MUNICIPAL AND COUNTY LOANS.

The tax on municipal and county loans is identical with that of corporate loans and are both in character the same as tax on personal property, but assessed and collected in a different manner. This tax is assessed and collected in pursuance of the following Acts: Act of April 29, 1844, P. L. p. 486, and Act of April 30, P. L. p. 219. See also Act of June 1, 1889, P. L. p. 420, and the Act of June 8, 1891, P. L. p. 229. The Act of April 30, 1864, P. L. p. 219, provides, inter alia, as follows:

"Section 4. That the treasurer of each county and city, the burgess or other chief officer, of each incorporated district, or borough of this Commonwealth, within ninety days after the passage of this act, shall make return, under oath, or affirmation, to the Auditor General, of the amount of scrip, bonds or certificates of indebtedness, outstanding by said county, city, district, borough, or incorporation, as the same existed on the first day of January, one thousand eight hundred and sixty-four, and of each succeeding year thereafter, together with the rates of interest thereon, at each of those periods, under the penalty of five thousand dollars, the amount to be settled by the Auditor General, and the amount thereof sued for, and collected, as debts due by defaulting public

officers are collected: Provided, That on the receipt of said returns, the Auditor General shall proceed to settle the accounts of each county, city and borough with the Commonwealth, fix the State tax due, and unpaid, and transmit notice of the amount, by mail, to officers making said returns; and that if the amount, so found due, shall not be paid within sixty days, the Attorney General shall sue and collect the same, with interest, from the date of such settlement; and hereafter, it shall be the duty of the treasurer, of every county, city, borough, and incorporated district, in this Commonwealth to deduct the said State tax, on payment of any interest, or dividend, on debts due the county, city, borough, or incorporated district, and pay the same over to the State Treasurer, within thirty days after the said interest, or dividend, has fallen due."

The present rate of taxation on county and municipal loans is four mills upon the nominal or par value thereof. This tax is collected by the city and county treasurers and by them paid into the State Treasury, for which they are allowed the same commission as allowed for the payment of mercantile and other licenses, viz: Five per cent. on the first $1,000 of tax; one per cent. on the second $1,000 of tax, and one-half of one per cent. on all amounts above $2,000 of tax.

The revenues received by the Commonwealth from tax on municipal and county loans during the past three years were as follows:

1903,	$272,326 81
1904,	279,734 81
1905,	271,556 30

XVII—SALE OF PAMPHLET LAWS.

In 1827 the Legislature passed an Act directing County Treasurers to sell copies of the pamphlet laws for fifty cents each. In 1867 the Secretary of the Commonwealth was authorized to sell them for $1.00 per volume. The Act of May 16, 1878, P. L. 54, graded the price according to the number of pages.

The revenue is very small:

1903,	$363 00
1904,	123 00
1905,	222 00

XVIII—NOTARY PUBLIC COMMISSIONS.

By the provisions of the Act of Feb. 19, 1873, P. L. 36, the Governor is authorized to appoint as many notaries public as in his judgment the interests of the public may require. Each appointee is required to pay $25.00 into the State Treasury before a commission can issue.

Receipts from this source for the past three years have been as follows:

1903,	$36,200 00
1904,	9,225 00
1905,	43,775 00

XIX.—LICENSES.

MERCANTILE LICENSES.

(Wholesale and Retail.)

The first Section of the Act of May 2, 1899, P. L. p. 184, provides, inter alia, as follows:

"Each retail vender of or retail dealer in goods, wares and merchandise shall pay an annual mercantile license tax of two dollars, and all persons so engaged shall pay one mill additional on each dollar of the whole volume, gross, of business transacted annualy. Each wholesale vender or wholesale dealer in goods, wares and merchandise shall pay an annual mercantile license tax of three dollars, and all persons so engaged shall pay one-half mill additional on each dollar of the whole volume, gross, of business transacted annually. Each dealer in or vender of goods, wares or merchandise at any exchange or board of trade shall pay a mercantile license tax of twenty-five cents on each thousand dollars worth gross, of goods so sold."

Except in Philadelphia City and County, the County Treasurer is required to add to the license fee the fee of the Mercantile Appraiser and the County Treasurer, which fees are to be collected from the dealers themselves, as provided for in the Act of 1830, P. L. p. 391, and the Act of 1865, P. L. p. 4. There are other special acts relating to Allegheny, Luzerne and Philadelphia counties.

The Act of May 2, 1899, provides as follows:

"That all persons who shall sell to dealers in or venders of goods, wares and merchandise, and to no other person or persons, shall be taken under the provisions of this act to be wholesalers; and all other venders of or dealers in goods, wares and merchandise shall be retailers, and shall pay an annual license tax as provided in this act for retailers."

The Act of 1899 provides for the appointment of a Mercantile Appraiser by the County Commissioners on or before the 30th day of each year, except in cities of the first class, when the Auditor General and treasurer of the city are authorized and required to appoint five suitable qualified persons, all of whom shall not be of the same political party and the term of office of said appraisers shall be for three years.

Section 10 of the Act of May 2, 1899, provides that "the rate of commission allowed county or city treasurers, the fees collected for the county or city treasurers and mercantile appraisers, also the

rate per mile paid mercantile appraisers, and all provisions of law with reference to the advertising of said lists, shall be and remain the same as now fixed by existing law; and after such publication of advertisement shall have been properly made, it shall be the duty of the constable of his respective ward, district or township to compare the list, and report to the county or city treasurer all omissions found, and for such service the constable shall receive a fee of fifty cents for each and every omission so reported."

The rate of commission allowed County or City Treasurers is fixed by the Act of April 15, 1834, P. L. p. 544. The fees collected for the County or City Treasurers and Mercantile Appraisers are fixed by the following Acts:

First: Fee for issuing licenses in all counties, except Allegheny, Philadelphia and Luzerne counties. Section 9, Act of April 7, 1830, P. L. p. 391.

Second: Fee for issuing a license in Allegheny County. Act of March 24, 1869, P. L. p. 509.

Third: Fee for issuing license in Philadelphia City and County. Section 2, Act of April 13, 1866, P. L. p. 104.

Fourth: Fee for issuing a license in Luzerne County. Section 3, Act of April 11, 1866, P. L. p. 711.

Fifth: The fees of the Mercantile Appraisers for appraising, in all counties except Philadelphia, are fixed by Section 1, Act of February 27, 1865, P. L. p. 4. (Note:—The provisions of the Act of February 27, 1865, were extended to Allegheny County. See Act of March 16, 1867, P. L. p. 482.)

Sixth: In Philadelphia City and County the appraiser's fees is 62 1-2 cents: See Section 2, Act of April 13, 1866, P. L. p. 104; also section 3, Act of May 24, 1871, P. L. p. ..... (Note:—The fees of the Mercantile Appraisers, except Philadelphia City and County, are added to the cost of the license and collected by the County Treasurer and by him paid to the Appraiser. See Section 8, Act of April 16, 1845, P. L. p. 534.)

The mileage of the Mercantile Appraiser is paid by the State Treasurer on warrant drawn by the Auditor General: Act of 1862, P. L. p. 493.

The Act of April 20, 1887, P. L. p. 60, authorizes the publication of the mercantile list.

Besides the above acts, there are many special acts relating to localities too numerous to specify in a statement of this kind. The Act of May 2, 1899, in the main, carries machinery for the assessment and collection of retail and wholesale mercantile licenses.

The revenues received by the Commonwealth for the past three years from mercantile licenses were as follows:

Retail Mercantile Licenses.

1903,	$646,991 88
1904,	677,382 28
1905,	680,816 84

Wholesale Mercantile Licenses.

1903,	$250,295 27
1904,	255,275 05
1905,	259,731 02

RETAIL LIQUOR LICENSES.

Licenses for the sale of spirituous, malt or brewed liquors at retail, in quantities not exceeding one quart, are rated under the Act of June 9, 1891, P. L. p. 248, as follows:

In cities of the First and Second Class, $1,000; in cities of the Third Class, $500; in all other cities, $300; in boroughs, $150; in townships, $75.

From the time of the passage of the Act of June 9, 1891, up until the time of the passage of the Act of July 30, 1897, P. L. p. 464, all the retail liquor licenses were collected for the use of localities only, the Commonwealth receiving no part of the same.

The distribution under the Act of 1891 was as follows:

The entire amount of all licenses in cities of the first class, for the use of the city.

Nine-tenths of licenses in cities of the second class, for the use of the city.

One-tenth of licenses in cities of the second class, for the use of the county.

Four-fifths of licenses in cities of the third class, for the use of cities.

One-fifth of licenses in cities of the third class, for use of county.

Two-thirds of licenses in all other cities, for use of cities.

One-third of licenses in other cities, for use of county.

Four-fifths of licenses in boroughs, for use of borough.

One-fifth of licenses in boroughs, for use of county.

Four-fifths of licenses in townships for use of township.

One-fifth of licenses in townships for use of county.

An approximate estimate of the amount received by local communities from Retail Liquor Licenses amounts to more than $3,500,000 annually, thus relieving the burdens of local taxation by that amount.

The Act of July 30, 1897, P. L. p. 464, provided that an additional license fee, for the use of the Commonwealth, be paid by all retail liquor dealers as follows:

Cities of the First and Second Class, $100; cities of the Third Class, $50; all other cities, $50; boroughs, $50; townships, $25.

The amount received by the Commonwealth from retail liquor dealers under the Act of 1897 was as follows for the past three years:

For the year 1903, $598,546.74; for the year 1904, $605,504.99; for the year 1905, $617,912.22.

As a matter of reference, the following acts can be consulted in reference to the retail and wholesail liquor licenses issued in this Commonwealth: Acts of March 11, 1834, P. L. p. 120; May 8, 1854, P. L. p. 663; March 31, 1856, P. L. p. 200; March 20, 1858, P. L. p. 365; April 14, 1859, P L. p. 653; May 7, 1864, P. L. p. 898; March 22, 1867, P. L. p. 40; April 17, 1867, P. L. p. 88; April 12, 1875, P. L. p. 40, and May 13, 1887, P. L. p. 108.

WHOLESALE LIQUOR LICENSES.

Each wholesale dealer in vinous, spirituous, malt or brewed liquors, or any admixture thereof, whether rectifier, compounder, storekeeper or agent, who has a store, office or place of business in this Commonwealth, shall pay, for the use of the Commonwealth, an annual license fee as follows:

In cities of the First and Second Class, $1,000; in cities of the Third Class and other cities, $500; in boroughs, $200; in townships, $100.

The above wholesale liquor licenses are issued under the Act of July 30, 1897, P. L. p. 464. The other cities referred to in the Act of 1897 are Parker City, Lock Haven and Monongahela City. (See opinion of Attorney General, March 1, 1889.)

All of the license fees heretofore fixed and regulated shall be collected by the treasurer of the proper county for the use of the Commonwealth and shall be paid by the County Treasurer to the State Treasurer within ninety days from the date of receipt thereof, except in the case of brewers' licenses issued by the State Treasurer as provided for in Section 1 of the Act of July 30, 1897.

Both retail and wholesale liquor licenses are issued by the Court of Quarter Sessions of each county, as provided for in the several acts. See Acts of May 24, 1887, P. L. p. 194, and Act of June 9, 1891, P. L. p. 257.

The revenues derived by the Commonwealth from the wholesale liquor licenses for the past three years were as follows:

1903,	$510,129 31
1904,	513,306 99
1905,	665,429 35

BREWERS AND DISTILLERS.

(See also Liquor Licenses.)

The Act of July 30, 1897, P. L. 464, provides that all * * * * * brewers, distillers, * * * * * having stores or offices within this Commonwealth, dealing in intoxicating liquors, either spirituous, vinous, malt or brewed, shall pay for the use of the Commonwealth, for each separate store, brewery or distillery * * * * * an annual license fee. This is regulated according to the production in barrels for the previous year, varying from $250 to $6,000 for brewers, and from $100 to $2,000 for distillers. New breweries and distillers pay a license fee of $1,000 for the first year.

The amount received during the past three years from the above sources is as follows:

Breweries.

1903,	$261,514 00
1904,	288,003 00
1905,	274,104 00

Distillers.

1903,	$43,501 00
1904,	51,506 00
1905,	55,619 00

BOTTLERS' LICENSES.

(See Liquor Licenses.)

Section 1 of the Act of July 30, 1897, P. L. 464, provides that each bottler or bottling establishment shall pay an annual license fee, graded according to location in a city, borough or township, payable as follows:

Class 1, in First Class city, $500; class 2, in Second Class cities, $500; class 3, all other cities, $350; class 4, in boroughs, $250; class 5, in townships, $125.

Revenue from this source for the past three years.

1903,	$157,226 00
1904,	158,990 00
1905,	89,241 00

BILLIARD, POOL TABLE, OR NINE OR TEN PIN LICENSES.

The following are the principal acts regulating the payment of a license fee for keeping an establishment where billiards, pool, nine or ten pins are played: May 15, 1850, P. L. 772; April 14, 1851, P. L. 570. There are also a number of special acts limited to certain localities. The fee is usually regulated by the number of tables or alleys,

at the rate of $30 for the first table or alleys and $10 for each additional, though in some localities it is fixed at a certain sum per month.

For the past three years the revenue has been as follows:

1903,	$64,853 00
1904,	77,761 00
1905,	91,773 00

BROKERS' LICENSES.

Section 7 of the Act of June 7, 1901, P. L. 534, amending the Act of May 15, 1850, P. L. 773, provides that merchandise brokers and real estate brokers shall be required to pay an annual license fee of three per centum upon their annual receipts for the use of the Commonwealth. This is assessed by the appraiser of mercantile taxes.

The provisions of the Act of April 14, 1905, P. L. 161, makes all merchandise brokers and real estate brokers liable for the license tax, whether persons, firms, or corporations.

Th revenue from brokers' licenses for the past three years has been:

1903,	$36,261 00
1904,	38,207 00
1905,	45,143 00

AUCTIONEERS' LICENSES.

The Act of June 26, 1873, P. L. 1874, P. 332, directed that auctioneers shall be rated with merchandise brokers, and pay a license tax similar to that paid by said brokers, and no other. The Act provided that the license fee for Philadelphia should not be less than $500. The Act of June 7, 1901, P. L. 534, amending the Act of May 15, 1850, provided that merchandise brokers pay a license fee for the use of the Commonwealth, at the rate of three per centum upon their annual receipts.

The provisions of the Act of April 14, 1905, P. L. 161, make all merchandise brokers and real estate brokers liable for the license tax, whether persons, firms, or corporations.

For the past three years the State has received from this source:

1903,	$16,232 00
1904,	14,531 00
1905,	15,043 00

PEDDLERS' AND HAWKERS' LICENSE.

The Treasurers are authorized to issue licenses to peddlers and hawkers, wholesale and retail. Th original act was passed on April

2, 1830, P. L. 147, for retailers, and April 16, 1840, for wholesalers. There are so many special acts, applying to certain localities, that they cannot be enumerated here. The general act now in force is that of June 14, 1901, P. L. 563, to which reference is made.

The revenue for three years past has been as follows:

1903,	$4,899 00
1904,	5,111 00
1905,	6,565 00

SOLDIERS' LICENSE TO HAWK AND PEDDLE.

The Act of June 9, 1891, P. L. 250, amending the Act of April 8, 1867, P. L. 50, provides the method of obtaining a soldiers' license. The requirements are as follows:

Must be a resident of the State.

Must be suffering from disability, the result of wounds or disease contracted while in the military or naval service of the United States, and unable to procure a livelihood by manual labor.

Certificate from an examining surgeon of the United States (see Section 2), or pension certificate.

Certificate from the Prothonotary of any county in the State that he has filed in said office, an affidavit that he is the owner of the goods, etc., he intends to sell.

That the aforesaid certificates with his discharge from military service, shall be conclusive evidence of his rights to the benefits of the above Act.

Obviously, there is no revenue from this.

LICENSES FOR THEATRE, CIRCUS, MUSEUMS, ETC.

Licenses for theatres, circuses, museums, etc., were first provided for by the Act of April 16, 1845, P. L. 533. This was amended by the Act of May 15, 1850, P. L. 773, while the Act of April 14, 1851, P. L. 586, made provisions for the payment of an annual license fee of $1,000 for the whole State. The Act in force at present is that of June 24, 1895, P. L. 249.

From this source the revenue has been as follows:

1903,	$16,877 00
1904,	16,743 00
1905,	21,556 00

EATING HOUSE LICENSE.

Under the Act of April 10, 1849, P. L. 574, eating houses, restaurants and oyster cellars must be licensed by the County Treasurer, the keepers to pay for the license according to the sales. The fee varies from $5.00 to $200.00.

In pursuance of an opinion of the Attorney General, mercantile appraisers are instructed hereafter to ascertain and assess all owners of eating houses, restaurants, oyster saloons, etc., not selling spirituous, vinous, malt or brewed liquors, under the heading "Eating Houses, etc., Licenses," according to the requirements of sections 20-23 of the above named Act.

For the past three years the revenue from this source has been:

1903,	$31,923 00
1904,	30,628 00
1905,	32,960 00

XX—TAX ON GROSS RECEIPTS OF BANKERS AND BROKERS.

The Act of June 27, 1895, P. L. 396, requires every stockbroker, bill broker, exchange broker and private banker to make report to the Auditor General, giving certain information and prescribing a penalty of $1,000 for failure to comply with the Act. This Act was amended by the Act of June 13, 1901, P. L. 559, requiring the filing of an annual report by every stock, bill, exchange and merchandise broker, and private banker, and the payment of one per centum of the aggregate amount of gross receipts, for the use of the Commonwealth.

For the past three years the revenue has been as follows:

1903,	$58,383 00
1904,	39,352 00
1905,	41,597 00

XXI—TAX ON SALES OF FERTILIZERS.

This tax was first imposed by Section 2 of the Act of June 28, 1879, P. L. 180, and was paid to the Secretary of the Commonwealth. By him it was paid into the State Treasury and from there it was paid to the Secretary of Agriculture. The present Act was passed March 25, 1901, P. L. 57, and fixes the tax on the amount of fertilizer sold within the State for the previous year. If no sales were made, the tax is fifteen dollars.

The revenue from sales of fertilizers for the past three years has been:

1903,	$19,015 00
1904,	19,020 00
1905,	19,640 00

XXII—FINES AND PENALTIES.

Acts imposing fines and penalties are so numerous and the amount of revenue received comparatively small, that it is deemed inexpedient to enumerate them.

The revenue from this source for the last three years has been:

	1903.	1904.	1905.
Fines,	$42,580	$78,052	$50,040
Penalties,	45	188	.....
Total,	$42,625	$78,240	$50,040

XXIII—REFUNDED CASH.

Act of the Legislature appropriating money for any purpose, general or special, designate a specific amount, "or so much thereof as may be necessary." Any unexpended balance must be returned to the State Treasury. Should an appropriation remain two years without having any part of it drawn, it is regarded as having merged into the State Treasury.

The revenue from this source for the last three years has been:

1903,	$524,813 00
1904,	20,493 00
1905,	33,175 00

XXIV—FEES OF PUBLIC OFFICERS.

The first Act of Assembly upon the subject of fees of officers and others was that of March 10, 1810, P. L. 79, which provided that certain officers, naming them, should keep an accurate account of all fees received, and "whenever the amount of any of said accounts shall exceed the sum of $1,500, the Auditor General shall charge the said officers respectively with fifty per cent. on the amount of such excess, which sum, so charged, shall be paid by them into the State Treasury for the use of the Commonwealth."

The Act of April 2, 1868, P. L. 11, amending said Act made certain provisions regarding the payment of excess fees into the State Treasury. Numerous questions arose regarding fees and who were entitled to retain them, and an opinion was rendered by the Attorney General's Department on April 5, 1893, which cleared up some of the difficult points.

Some of the acts referring to fees are as follows: April 5, 1842, P. L. 236; April 21, 1846, P. L. 415; April 2, 1868, P. L. 11; April 6,

1871, P. L. 476; May 6, 1874, P. L. 125; March 31, 1876, P. L. 13; June 12, 1878, P. L. 187; March 6, 1892, P. L. 208.

During recent years the receipts from fees of office were largely, if not altogether, received from the following officials: Secretary of State, Insurance Commissioner, Attorney General, Auditor General, Secretary of Internal Affairs and Health Officer of Philadelphia. Since 1901, county officers have not been required to pay excess fees into the State Treasury.

The Act of June 3, 1885, P. L. 60, provided for the payment of moneys into the State Treasury by State officers, agents and employes receiving fees, etc., distinguishing between those collected for their own use and those collected for the use of the Commonwealth. Under the Acts of 1905 and 1906, all State officials are required to pay into the State Treasury all fees, percentages and commissions, so that the income from this source will be materially reduced.

For the past three years the receipts from fees of office have been as follows:

1903,	$251,738 00
1904,	218,826 00
1905,	177,284 00

XXV—ESCHEATS.

The first Act providing for the escheat of property in Pennsylvania was approved September 29, 1787, 2d Smith's Laws, 425.

The second section of that Act provided that if any person, who at the time of his or her death was seized or possessed of any real or personal estate within this Commonwealth, die intestate, without heirs or known kindred, such estate shall escheat to the Commonwealth, subject to all legal demands on the same; and the same Act in Sections 4 and 5 provide for the disposal of the property so escheated. The Act also provides for the escheat upon forfeiture upon attaint.

The Act of March 27, 1821, 8 Smith's Laws 267, makes the Auditor General, Escheator General and authorizes him to appoint a deputy. See also the following acts: April 6, 1833, P. L. 167; April 26, 1855, P. L. 328; June 27, 1864, P. L. 951; April 17, 1869, P. L. 71. Also act of May 29, 1889, P. L. 395. The act in force at the present time is too voluminous to present in this volume. It was approved May 2, 1889, P. L. 66.

For information as to the escheating of unclaimed dividends, profits, deposits, etc., in banks, savings institutions, etc., reference

may be had to Act of March 6, 1847, P. L. 222, and Act of April 16, 1850, P. L. 495.

The revenue from escheats is small, that for the last three years being:

1903,	$5,048 00
1904,	13,667 00
1905,	16,422 00

XXVI—TAX ON GROSS RECEIPTS OF NOTARIES PUBLIC.

This tax is imposed by Act of May 20, 1865, P. L. 846, and applies only to Notaries Public of the City of Philadelphia. By its provisions such officers are allowed to increase their fees fifty per centum over the then legal fees, and required to pay into the State Treasury on Dec. 31st each year, five per centum of the gross amount of his or her receipts.

For the past three years the State has received the following amounts:

1903,	$4,070 00
1904,	4,344 00
1905,	4,113 00

XXVII—BONDS OF ALLEGHENY VALLEY R. R. CO.

A brief history of these bonds may prove interesting.

The Commonwealth of Pennsylvania, in pursurance of the Act of April 21, 1858, P. L. 414, sold to the Sunbury & Erie Railroad Company (now the Philadelphia & Erie), part of the Public Works, consisting of the Delaware Division, the Lower North Branch Division, the Upper North Branch Division, of the Pennsylvania Canal, for the sum of $3,500,000 in mortgage bonds.

These divisions were a part of the great internal improvements, which had cost the State upwards of $75,000,000, and which were sold for $11,000,000. The State at this time (1858) had a debt of upwards of $38,000,000, nearly one-half of which was over-due.

The proceeds of the sale of the Public Works were to be paid into the Sinking Fund, which was established in 1849. The Canal Commissions believing the original Act authorizing the sale of the Public Works of May 16, 1857, to be unconstitutional, applied for an injunction to restrain the sale. The Supreme Conrt held that the part of the Act requiring a certain bidder to pay $1,500,000 more than any other, and releasing it from certain taxes was uncon-

stitutional and issued an injunction restraining said bidder from bidding at the sale.

The Governor, in pursuance of the Act, fixed a day for the sale of the Western Division, and the Pennsylvania Railroad Company became the purchasers for the sum of $7,500,000. This with the amount received from the Sunbury & Erie R. R., $3,500,000, made up the $11,000,000.

Governor Pollock, in his annual message, congratulated the people upon their release from this trouble, and said further "that the propriety of separating the State from the care and control of the public works is not only evident to all who has given the subject a candid and impartial consideration, but the necessity is clearly established by the history of their construction and management."

Of the $3,500,000 of mortgage bonds of the Philadelphia & Erie R. R. Co., the consideration for the canals purchased under the Act of 1858, which had been exchanged for 35 bonds of $100,000 at five per cent each of the Allegheny Valley R. R. Co., in pursuance of an Act of April 1, 1869, P. L. 730, the Commonwealth now owns and holds 3 bonds of $100,000 each, one of which is payable on the first of January of each year. This, with the interest received, is placed in the Sinking Fund.

The revenue from this source for the past three years has been:

1903,	$132,500 00
1904,	127,500 00
1905,	122,500 00

XXVIII—ANNUITY FOR RIGHT OF WAY.

The Act of March 26, 1846, P. L. 179, authorized the New York and Lake Erie (now the Erie) Railroad Company, to construct a portion of its line through Pike County, and for this privilege the Company is required to pay annually into the State Treasury the sum of $10,000. The Act of May 11, 1899, P. L. 289, provided for the distribution of the above amount between the counties through which the Erie's lines pass, in proportion to the assessed value of real estate.

XXIX—OLEOMARGARINE LICENSES.

The Act of May 5, 1899, P. L. 241, now in force, provides for the payment of a license fee by those manufacturing or dealing in oleomargarine, butterine or any similar substance. It is payable per annum as follows: Manufacturers, $1,000; wholesale dealers,

$500; retailers, $100; restaurant or hotel keeper, $50; boarding-house keeper, $10. Certain restrictions are made as to sale and a penalty provided for violation of any of the provisions of the Act. See also Act of May 29, 1901, P. L. 327.

The most important decision in connection with oleomargarine licenses is found in the case of the Commonwealth v. McCann, 14 Pa., Superior Court reports, 221. The judgment was affirmed by the Supreme Court. See 198 Pa., State reports, 509.

For the past three years the revenue from this source has been:

1903,	$38,295 00
1904,	31,294 00
1905,	26,707 00

XXX—RENOVATED BUTTER LICENSES.

Under the provisions of Section 2 of the Act of July 10, 1901, P. L. 643, a license is required by persons, firms, or corporations desiring to engage in the manufacture or sale of "renovated butter," the license to be procurred from the Department of Agriculture. The annual fees are as follows: Manufacturer, $1,000; wholesale dealer, $500; retailer, $100; keeper of restaurant, dining-room or hotel, $50; boarding-house keeper, $10.

From this source there was received for the past three years these amounts:

1903,	$225 00
1904,	4,033 00
1905,	4,825 00

XXXI—FISHING LICENSES.

The Act of May 29, 1901, P. L. 335, requires the payment of a license fee for fishing in any lake over which the Commonwealth has jurisdiction. This fee, which is paid into the hands of the Fish Commissioner, is regulated by the nature of the device used by the fishermen and the size of the boat. The revenue is small, the amount for the past three years being as follows:

1903,	$2,818 00
1904,	3,303 00
1905,	3,032 00

XXXII—HUNTING LICENSES.

The Act of April 14, 1903, P. L. 178, requires the payment of a fee of ten dollars as a license fee by every non-resident, and every

unnaturalized, foreign-born resident of this State, proposing to hunt in any part of the Commonwealth. This is paid to the Treasurer of the county where the applicant wishes to hunt, who is authorized to issue the certificate. The license is not transferable and is good only during the legal season when game may legally be killed.

The amount received is small and can never reach large figures. For the past three years it has been as follows:

1903,	$426 00
1904,	1,726 00
1905,	1,024 00

XXXIII—SALE OF LANDS.

The revenue from this source is small. The Act of May 20, 1864, P. L. 974, directed the Surveyor General to make a list of all lands unpatented and proceed against delinquents.

The Act of April 14, 1874, P. L. 58, provided for the issuing of warrants to survey any vacant lands. This Act was amended by the Act ofApril 23, 1889, P. L. 46, now in force, which provides for the issuing of warrants, etc. The price per acre varies according to location of land, the majority of it selling at $26.67 per hundred acres.

The revenue from sale of lands for the past three years has been as follows:

1903,	$5,793 00
1904,	2,693 00
1905,	2,312 00

PART IV.

PART FOUR OF THIS VOLUME CONTAINS INFORMATION FROM THE GENERAL LAWS IMPOSING TAXATION IN 45 STATES, SHOWING THE SOURCES FROM WHICH REVENUES FOR STATE PURPOSES ARE RAISED, THE RATE OF TAXATION, THE METHOD USED IN ARRIVING AT TAX VALUATIONS, THE AMOUNT OF REVENUES RAISED FOR STATE PURPOSES DURING THE LAST FISCAL YEAR, THE KINDS OF PROPERTY EXEMPT FROM STATE TAX AND THE AMOUNT OF THE FUNDED DEBT AT THE CLOSE OF THE LAST FISCAL YEAR.

The statements herein contained have been prepared from the last available reports of the various Financial and Accounting Departments of each State, and are given here for the purpose of comparison of Pennsylvania's system of raising revenues for State purposes with that of other States for similar purposes.

The States included in this connection are as follows:

Alabama,
Arizona,
Arkansas,
California,
Colorado,
Connecticut,
Delaware,
Florida,
Georgia,
Idaho,
Illinois,
Indiana,
Iowa,
Kansas,
Kentucky,
Louisiana,
Maine,
Maryland,
Massachusetts,
Michigan,
Minnesota,
Mississippi,
Missouri,
Montana,
Nebraska,
Nevada,
New Hampshire,
New Jersey,
New Mexico,
New York,
North Carolina,
North Dakota,
Ohio,
Oklahoma,
Oregon,
Rhode Island,
South Carolina,
South Dakota,
Tennessee,
Texas,
Utah,
Vermont,
Virginia,
Washington,
West Virginia,
Wisconsin,
Wyoming,

ALABAMA.

CONSTITUTIONAL PROVISIONS.

Taxes on property: All taxes on property shall be levied in exact proportion to the value thereof. (Art. XI, sec 1.)

The property of private corporations, associations and individuals shall forever be taxed at the same rate. (Art. XI, sec. 6.)

STATUTE PROVISIONS.

Railroad Companies:

Listing, valuation, etc., railroad companies are required to make annual returns to the State Auditor of all property employed in operating their lines. Upon the basis of these schedules, the State Board of Assessment value the railroad property "upon the consideration of what a clear fee simple title thereto would sell for under the conditions under which that character of property is most usually sold for." This valuation is then apportioned among the counties upon a pro rata mileage basis, for the computation and collection of the tax. (Code of 1896, secs. 3964-3978.)

License tax: Railroad companies also pay a license tax on gross earnings to cover the expenses of the railroad commission. (Code of 1896, sec. 3489.)

Local taxation: Railroad real estate and personalty, not in the right of way, are locally assessed and taxed. A local tax is also levied on the basis of the valuations apportioned by the State. (Code of 1896, secs. 3964-3973.)

ARIZONA.

STATUTE PROVISIONS.

Railroad Companies: (Rev. Stat. Arizona, 1887, par. 2649.)

Exemption: Railroads hereafter constructed shall be exempt from taxation for a period of ten years after the passage of this act. (Laws of 1899, p. 79.)

Listing, valuation, etc.: Railroad companies are required to make full annual reports of property used in operation to the Territorial Board of Equalization, by whom a valuation is set on property and franchises. Rolling stock is valued on a pro rata mileage basis. The total valuation is apportioned among the countries for the computation and collection of the usual tax rates.

Local taxation: Property other than that of operation is locally assessed and taxed.

ARKANSAS.

CONSTITUTIONAL PROVISIONS.

The power to tax corporations and corporate property shall not be surrendered nor suspended. (Art. XVI, sec. 7).

The liability of any railroad or other corporation to the State shall never be exchanged or remitted. (Art. V, sec. 33.)

Taxes on property: All property shall be taxed according to its value. (Art. XVI, sec. 5.)

Rolling stock shall be considered and taxed as personalty. (Art. XVII, sec. 11.)

Reports of railroad companies: Railroads shall make annual reports of their acts and doings to the Auditor of Public Accounts. (Art. XVII, sec. 13.)

STATUTE PROVISIONS.

Railroad Companies:

Listing, valuation, etc.: Railroad companies are required to make return to the Secretary of State sworn schedules of property on the right of way and of rolling stock (both hired and leased), including a statement of the actual aggregate value of the various elements of railroad property. On the basis of these returns, the State Board of Railroad Commissioners fix a valuation, which is apportioned among the local districts for the computation and collection of the usual property taxes. Rolling stock is valued upon a pro rata mileage basis. In case of failure to list, witnesses may be summoned and books, records, etc., examined. (Sandels & Hill's Digest, 1894, secs. 6466-6476.)

Local taxation: Real estate and personalty not in the right of way are assessed and taxed locally. (Sandels and Hill's Digest, 1894, sec. 6475.) A local tax is levied also on the valuation apportioned by the State.

2. Real Estate, Improvements, Personal Property, Money, Railroads: Rate 49 cents on each $100 valuation for State purposes; License Tax Corporations, $10.00 each; License Tax Automobiles, $2.00 each; License Tax Chaffeurs, $1.00 each; License Tax Insurance, according to business done in California; Fees filing Art. of Incorp. according to Capital Stock.

3. Class of Property Exempt from Taxation—Federal, State, City and Co., Property, Property used solely for ecclesiastical purposes, Stanford University, Wilmerding School of Art, and a general exemption of $100 on personal property.

4. Total amount of State Tax for 57th Fiscal Year—Real Estate, etc., collected at 49 cents rate, $7,957,724.44; Poll Tax, $604,677.50; Collateral Inheritance Tax, $292,750.01; License Tax on Corporations, $138,915.00; License Tax on Insurance Companies, $264,593.92. License Tax on Automobiles, $11,240.00.

5. Amount of State Debt—None.

Amount expended for the support of Common Schools for year ending June 30, 1904, $3,677,932.14.

The Property Tax collected from Railroads for use of the State for year ending June 30, 1904, was $471,300.96; for use of the counties, $879,662.04.

CALIFORNIA.

In the State of California the sources of Revenue for State purposes, rates of Taxation, Classes of property exempt from taxation, total amount of Tax raised for State purposes for last fiscal year and amount of State Debt are as follows:

1. Sources of State Revenue—Poll Tax, Collateral Inheritance Tax, Real Estate, Improvements, Personal Property, Money, Railroads, License Tax on Corporations, License Tax on Automobiles and Chaffeurs, License Tax on Insurance Companies, Fees for filing Articles of Incorporation and fees of sundry State Officers.

2. Rates of Taxation—Poll Tax, $2.00 per poll.

Collateral Tax Rates according to table:

COLLATERAL TAX.

Classification or Indication of Relationship.	Property Exemption.	Application of Rates to Value of Inheritance or Bequest.				
		On Excess After Deduction of Exemption from $25,000.	$25,000 to $50,000.	$50,000 to $100,000.	$100,000 to $500,000.	In Excess of $500,000.
Husband, wife, lineal issue, lineal ancestor, adopted or mutually acknowledged child,	Widow or minor child $10,000. Others, $4,000.	1 per ct.	1½ per ct.	2 per ct.	2½ per ct.	3 per ct.
Brother, sister, or descendant of either, wife or widow of a son, husband of a daughter,	$2,000	1½ per ct.	2¼ per ct.	3 per ct.	3¾ per ct.	4½ per ct.
Uncle, aunt, or descendant of either,	$1,500	3 per ct.	4½ per ct.	6 per ct.	7½ per ct.	9 per ct.
Grand uncle, grand aunt, or descendant of either,	$1,000	4 per ct.	6 per ct.	8 per ct.	10 per ct.	12 per ct.
Other degree of collateral consanguinity, stranger in blood, body politic or corporate,	$500	5 per ct.	7½ per ct.	10 per ct.	12½ per ct.	15 per ct.

COLORADO.

The total receipts of the General Fund for State purposes from all sources are about $2,000,000 per annum.

The entire tax valuation of all property in the State in 1902, was $354,002,501.

The net debt in 1902 was $2,442,170.

The State Constitution provides that all taxes are uniform upon the same class of subjects within the same jurisdiction, and property is taxable at its just value.

The power to tax Corporations and Corporate Property shall never be relinquished or suspended.

Corporations are subject to taxation for both State and Local purposes.

STATUTORY PROVISIONS.

Railroad Companies make Reports to State Board of Equalization, and with this as a basis, the Franchise, road-bed, track and railway stock, are valued upon a pro rata mileage basis and said value is apportioned among the Counties for computation, assessment and collection, the same as general property taxes.

The Real Estate (including Stations and other buildings, but not tracks), and Personalty are Locally assessed and taxed.

There is also a Local tax assessed upon the basis of the values apportioned by the State.

The present tax law is very defective, in that the Auditor has no authority to compel the County Clerks, through whom a large percentage of the Revenues is derived, to make accurate and satisfactory Statements and Returns. In many cases no detailed information is given. There is nothing to prevent the Counties rebating the entire State Tax. And no authority exists permitting the Auditor to investigate the accounts of the County offices.

The Auditor of the State has this to say about their System of taxing Corporation:

"The Corporation License Tax Department has been a source of disappointment, as far as the amount of revenue derived from this department is concerned. A great amount of labor and considerable expense has been attached to the inauguration of this system of taxation. Under the original act creating the department, a large amount of money would eventually be derived, but after the act was amended and the rate of taxation lowered, the amount to be derived is insignificant in comparison with other departments.

"I would recommend that the rate of taxation either be changed to what it was in the original act, or that the department be abolished. If the department is to be maintained, some course of procedure should be adopted whereby the collections of this tax should be enforced. As the present law stands, we can simply demand payment, but are powerless to enforce collection, when payment is refused. Under these conditions, any corporation, that is not compelled to

appear before the courts, is enabled to exist and transact business throughout the entire term of their corporate existence without paying this tax; the result is that a large proportion of corporations ignore our demands altogether.

CONNECTICUT.

The revenues for State purposes are derived from the following sources:

Military Commutation Tax, Mutual Fire and Life Insurance Companies, Steam and Street Railroad Companies, Savings Banks, Express Companies, Telegraph and Telephone Companies, Inheritance Tax, etc.

Total amount collected for the year 1905, $3,534,973.31; amount of Funded Debt, $343,072.89.

Railroad Companies are required to make annual reports to the State Comptroller, setting forth their Capital Stock and indebtedness. They then pay the State, as a franchise tax, one per cent. on the market value of their Capital Stock, in addition to one per cent. on the par value of their funded and floating debt, or on the actual value if below par. In determining the valuation deduction is made for any part of the indebtedness which is held in trust as part of a sinking fund, as well as for the amount of local taxes on real estate. As the valuation represents only that portion of the Capital Stock and debt assignable to Connecticut, the valuation is determined on a pro rata mileage basis as compared with the total mileage.

Railroads are locally taxed on their Real Estate not directly used for purposes of operation.

The Receipts of the State Treasury for the year 1905, from Railroads, Street Railways, Mutual Life and Fire Insurance, Savings Banks, Express Companies, Telegraph and Telephone Corporations were $2,291,344.03.

DELAWARE.

The Revenues of Delaware for State purposes are paid into three funds, viz.: General Fund, School Fund and the Sinking Fund.

In 1904 the receipts of the General Fund were $462,071; Receipts of the School Fund, $173,402.

Railroad Companies, as well as Canals, make annual returns of business to the State, as by law required. They then pay to the State a tax of 10 per cent. on the net earnings in the State, as determined b ythe proportion of mileage within the State to total mileage; besides a tax of 1 per cent. on a pro rata mileage portion of Capital Stock.

Railroad and Navigation Companies pay the State a tax of ten cents on each passenger carried by steam power on land or water in

the State. The law grants permission to raise the rate of fare to the extent of the tax.

Railroad Companies (excepting the P. W. & B. R. R. Co., which is otherwise provided for) may pay in lieu of the passenger tax a sum which bears the same proportion to the gross receipts from passenger business between points in the State as the sum of $13,000 bears to the like business of the P. W. & B. R. R. Co.

In addition there is a special tax of $100 on each locomotive, $25 on each passenger car, and $10 on each freight car and truck used within the State.

The Philadelphia, Wilmington and Baltimore Railroad Company pays to the State annually the sum of $27,000 in lieu of all taxes but the passenger tax, and this latter may be commuted by the annual payment of the specific sum of $13,000. The Deleware Railroad Company pays $3,000 annually in lieu of all other taxes.

Railroad Real Estate, including buildings on the right of way, is locally assessed and taxed.

FLORIDA.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property: Taxation shall be at uniform and equal rate. All property shall be justly valued. (Art. IX, sec. 1.)

STATUTE PROVISIONS.

Railroad Companies: (Laws of 1895, pp. 28-31.)

Listing, valuation, etc.: Railroad companies are required to make full annual reports to the State Comptroller, setting forth the property used in operation, its value, and the amount thereof in each county and municipality. The value of the rolling stock is apportioned pro rata to each mile of track. The Comptroller notifies the proper official in each county and municipality through which the road runs of the number of miles of track, its proportionate value, and the proportionate value of other taxable property. The tax is levied and collected in the various local divisions at the usual property rate.

Local taxation: Railroad lands not in the right of way are locally assessed and taxed. Local taxes are levied in addition on the values apportioned by the State.

GEORGIA.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property: Taxation shall be uniform upon the same class of subjects, and ad valorem upon all property subject to taxation. (Art. 7, sec. 2, par. 1.)

STATUTE PROVISIONS.

Railroad Companies:

Listing, valuation, etc.: Railroad companies are required to make returns of their entire property to the Comptroller-General of the State. On the basis of these returns the Comptroller-General determines the basis of the State levy. Rolling stock is valued upon a pro rata mileage basis. The tax is paid into the State Treasury. (Code of 1895, secs. 779-783.)

Local taxation: Counties (Code of 1895, sec. 780) and municipalities (Code of 1895, secs. 784-789) assess and tax all railroad property within their respective limits.

IDAHO.

CONSTITUTIONAL PROVISIONS.

Property and license taxes: Taxes shall be uniform upon the same class of subjects within the same jurisdiction. A just valuation shall be secured for the taxation of all property. (Art. VIII, sec. 5.)

Every person and corporation shall pay a tax on property. A license tax may also be imposed. (Art. VII, sec. 2.)

STATUTE PROVISIONS.

Railroad Companies: (Laws of 1895, pp. 114-118.)

Listing, valuation, etc.: Railroad companies are required to return to the State annual lists of their entire property of operation, including rolling stock, hired, leased or used. The State Board of Equalization sets a valuation upon each railway line, and apportions the same among the local districts for the computation and collection of the tax.

Local taxation: Property not in the right of way is locally assessed and taxed. A tax is levied also on the values apportioned by the State.

ILLINOIS.

The sources from which State Revenues are derived in the State of Illinois are as follows:

Seven per cent. of the gross receipts of the Illinois Central Railroad Company. Fees from Secretary of State, Fees from the Insurance Department, Fees from the Auditor of Public Accounts, Inheritance Tax, and other miscellaneous receipts.

Under the assessment laws of this State all property subject to taxation is required to be valued at the full, fair cash value and one-

fifth of such full, fair cash value is to be taken as the assessed value for the purpose of taxation. The tax rate for 1905, was 50 cents on the $100.

The following classes of property are exempt from taxation:

1. All lands donated by the United States for school purposes, not sold or leased. All public school houses. All property of institutions of learning, including the real estate on which the institutions are located, not leased by such institutions or otherwise used with a view to profit.

2. All church property actually and exclusively used for public worship, when the land (to be of reasonable size for the location of the church building) is owned by the Congregation.

3. All lands used exclusively as graveyards or grounds for burying the dead.

4. All unentered Government lands; all public buildings or structures of whatsoever kind and the contents thereof, and the land on which the same are located belonging to the United States.

5. All property of every kind belonging to the State of Illinois.

6. All property belonging to any County, town, village or City, used exclusively for the maintenance of the poor. All swamp or overflowed lands belonging to any county, so long as the same remain unsold by such county. All public buildings belonging to any county, township, city or incorporated town, with the grounds on which such buildings are erected, not exceeding in any case ten acres.

7. All property of institutions of purely public charity, when actually and exclusively used for such charitable purposes, not leased or otherwise used with a view to profit, and all free public libraries.

8. All fire engines and other implements used for the extinguishment of fires, with the building used exclusively for the safe keeping thereof, and the lot of reasonable size on which the building is located, when belonging to any city, village or town.

9. All market houses, public squares or public grounds used exclusively for public purposes. All works, machinery and fixtures belonging exclusively to any town, village or city and used exclusively for conveying water to such town, village or city.

10. All property, which may be used exclusively by societies for agricultural, horticultural, mechanical and philosophical purposes, and not for pecuniary profit.

The amount of State Tax collected for the year 1904, was $6,157,490.16.

The amount of the State school fund receipts from October 1, 1902, to September 30, 1904, was $2,227,810.24.

The State of Illinois has no outstanding debt of any kind.

INDIANA.

In 1905 there was levied for the State purposes an aggregate tax of 31.35 cents on each $100. Of this amount 12 cents is for the General Fund and 5 cents for the Benevolent Institution Fund. From the levies in these funds combined come to the State all the taxes that are or can be used for the general expense of the State, and said taxes amounted last year (1905) to $2,192,661.59. The levy for school purposes is 11 cents on the $100, and the taxes resulting are distributed pro rata among the different counties, according to the numeration of school children. This tax aggregated last year to $1,773,233.90. The specific levy of 3 cents on each $100 for payment on the public debt, amounting to $445,942.27, and was applied to the purposes of its collection. The Educational Institution Tax of 1 2-3 cents on each $100, amounted to $407,761.45, and was distributed according to law as follows: 4-11 thereof to the Indiana University, 3-11 thereof to the State Normal School, and 4-11 thereof to Purdue University.

The amount of the Public Debt Oct. 31, 1905, was $1,443,615.12.

Railroad Companies are required to list their property annually with the Auditors of the various counties. Returns must be made at the same time to the Auditor of the State. These returns must be full and contain a detailed statement concerning the entire railroad property, capital stock and bonded debt. On the basis of these returns, the State Board of Tax Commissioners fixes upon the property a valuation, which is apportioned among the various local tax districts, where the tax is computed and collected at the usual property rate. Rolling stock is assessed on a pro rata mileage basis, and such as is hired, leased or used (but not owned) by any railroad company according to the proportion of the year it uses the same. All tax assessing officers in the State are empowered to examine the books and records of transportation companies.

Real Estate and Personalty not used for operating purposes are assessed and taxed directly by local authority, in addition to the local taxes on the valuations apportioned by the State authorities.

IOWA.

The sources of Revenue for State purposes are principally from direct taxation, Corporations, Fees of office and Miscellaneous receipts.

The rate of taxation for general revenue is three mills on the dollar of taxable value of all property and one-half mill for State Colleges.

The total amount of State taxes raised during the last fiscal year (1905) was $1,900,000.

No class of property is exempt from taxation for State purposes.

The State of Iowa has no indebtedness.

The Constitution provides that all Corporate Property shall be taxed the same as that of Individuals.

Railroads to make annual Reports to Executive Council of all Property of Operation, and Earnings and Expenses of operation within the State.

The Council assesses the property at actual value in cash, taking into consideration the earning capacity of the road, valuation apportioned among counties for computation and collection.

Real estate of railroads not used for purposes of operation, grain elevators, railroad bridges over Mississippi and Missouri Rivers are taxed locally where situated.

The values, apportioned by the State, are also subject to local tax.

KANSAS.

The amount of revenues raised for State purposes is about $4,000,000 per annum, of which about $2,000,000 is raised by Direct Taxes.

The total valuation of all property subject to taxation in 1902 was $363,163,630.

The bonded debt in 1902 was $632,000.

Upon the basis of the reports made by the railroad companies, the State Board of Railroad Assessors values railroad track, roadbed, right of way, water and fuel stations, buildings, machinery and rolling stock upon a pro rata mileage basis (including the cars of other companies used on the railroads of the State), moneys, credits and franchises. The Board is empowered to examine the books and papers of railroad companies. Through the State Auditor an apportionment of the valuation thus determined is made among the Counties, where further apportionment is made among the smaller districts, in which the tax is computed and collected at the usual property rate.

Railroad real estate and personal property not in the right of way is locally assessed and taxed. A local tax is also levied on the basis of the valuations as apportioned by the State.

KENTUCKY.

The revenues for State purposes of the State of Kentucky are derived from Corporations, Licenses, Personal Property, Real Estate, Railroads, Franchises, etc.

The rate of taxation is 50 cents on each $100 valuation.

All charitable institutions and State property are exempt from taxation.

The amount of revenues collected for the last fiscal year (1905) was $5,384,422.91; amount of State debt $26,000.

Under the provisions of the State Constitution, Corporate property must pay the same rate of taxation as individual property, but the Legislature may provide for taxes on income, license or franchises. The Legislature may also provide by law how railroads and railroad property shall be assessed and taxed.

Under the provisions of Statute Railroad Companies are required to make annual returns of total property in the State to the State Auditor of Public Accounts. Only a pro rata mileage proportion of rolling stock is included. On the basis of these and local returns a valuation of railroad property is determined by the Railroad Commission, which is also empowered by law to examine Corporation books, records, etc. Upon this valuation the State tax is levied at the usual State rate on Real Estate.

Railroad Companies are liable to local taxation.

LOUISIANA.

CONSTITUTIONAL PROVISIONS.

Uniform taxation: Taxation shall be uniform on the same class of subjects in the same jurisdiction. (Article 225.)

Railroad, Telegraph, Telephone, Sleeping Car and Express Companies:

A State Board of Appraisers shall assess the property of such companies. (Article 226.)

Reports: The railroad, express, telegraph, telephone, steamboat and sleeping car commission shall have power to compel the production of books and papers of transportation companies, to summon witnesses, etc. (Article 284.)

Local taxation: Valuations of property for State taxation shall be taken as the basis for local taxation. (Article 225.)

STATUTE PROVISIONS.

Listing, valuation, etc.: The State Board of Appraisers values all railroad property. For this purpose it may require all necessary information from the various companies. Due returns are made to the local civil divisions of the property assessed and its valuations in their separate jurisdictions. (Laws of 1900, pp. 189, 190.)

Local taxation: All railroad property is assessed and taxed in the local districts. (Laws of 1898, pp. 363, 364.)

MAINE.

All taxes on property shall be assessed equally according to the value thereof.

Railroads pay an annual excise tax to the State for the privilege of exercising their franchises. Aside from the special tax for the support of the Board of Railroad Commissioners, this tax is in lieu of other State taxes. The tax is graduated according to gross receipts per mile of line, as follows:

One-fourth of 1 per cent. on gross receipts of $1,500 or less per mile.

One-half of 1 per cent. on gross receipts between $1,500 and $2,250 per mile.

One-fourth of 1 per cent. on gross receipts for each additional $750 per mile, the rate never to exceed 3 1-4 per cent.

Inter-state receipts are pro rated on a mileage basis.

Railroad real estate not employed for the purpose of operation is locally assessed and taxed. Cities and towns receive from the State 1 per cent. on shares of railroad stock held therein.

MARYLAND.

The sources of revenue for State purposes are from direct taxation, Corporations, Franchise Tax, Charter Fees, Banks, Licenses, etc.

The rate of taxation is 23 1-2 cents on the $100 valuation.

The total amount of direct taxation the last fiscal year (1905) was from collectors, $1,564,975.71, Tax on Incorporated Institutions $125,215.87 and Baltimore City Stock, $27,721.59.

The amount of the funded debt of the State, in gross, Sept. 30, 1905, was $8,526,926.13.

A State Tax as a franchise tax is annually levied upon the gross receipts of Railroad Companies, as follows:

Eight mills on the first $1,000 per mile of gross receipts, or on the total earnings, if they are less than $1,000 per mile; 15 mills on all gross earnings above $1,000 per mile, but not exceeding $2,000 per mile; and 20 mills on all gross earnings over $2,000 per mile. Earnings from interstate business are pro rated on a mileage basis. Annual reports are required of the Railroad Companies and Railroad officials may be summoned as witnesses by the State Tax Commissioners, who determine the amount of the tax to be paid.

All railroad property is locally assessed and taxed, rolling stock upon a mileage basis as apportioned among the Counties by State officials. Railroad property is assessed and taxed for county and municipal purposes, like the property of individuals.

MASSACHUSETTS.

The sources from which the State revenues for the State of Massachusetts are derived are as follows:

Corporation taxes, Bank Stock and Savings Bank taxes, Collateral Legacy tax, Insurance tax and licenses, Excise tax on life insurance Companies, Excise tax on foreign corporations, Foreign railroad Companies' tax, Coal and Mining Companies' tax, Secretary's fees, Fees from Courts of Probate, etc., Liquor Licenses, Interest and Miscellaneous sources.

There is no one rate of taxation upon all sources from which State revenues are derived. The different subjects of taxation for purposes of State revenue are assessed at different rates. The franchises of different Corporations were assessed at $17.25 per thousand in 1905, and in 1906 the rate was $16.87 per thousand. There is no State rate upon the direct State tax levied, but the law of the State requires the State Tax Commissioner once in three years to make an equalization and apportionment upon the several cities and towns of the number of polls and amount of property and proportion of every one thousand dollars of State or County tax, including the polls at one-tenth of a mill each, which should be assessed upon each City and town. The last equalization table was made in 1904 and will be in force for three years from that date.

PERSONS AND PROPERTY EXEMPT FROM TAXATION.

1. The property of the United States.

2. The property of the Commonwealth, except real estate, of which the Commonwealth is in possession under a mortgage for condition broken.

3. The personal property of literary, benevolent, charitable and scientific institutions and of temperance societies incorporated within this Commonwealth, the real estate owned and occupied by them or their officers for the purposes for which they are incorporated, and real estate purchased by them with the purpose of removal thereto, until such removal, but not for more than two years after such purchase, such real or personal property shall not be exempt if any of the income or profits of the business of such corporation is divided among the stockholders or members, or is used or appropriated for other than literary, educational, benevolent, charitable, scientific or religious purposes, nor shall it be exempt for any year in which such corporation wilfully omits to bring in to the Assessors the list and statement required by section forty-one.

4. The real and personal estate of incorporated Agricultural societies and the portion of real estate and buildings of incorporated horticultural societies used for their offices, libraries and exhibitions.

5. The real and personal estate of any grand army or veteran association, incorporated within this Commonwealth for the purpose of owning property for use and occupation by posts of the Grand Army of the Republic, to the extent of Twenty Thousand Dollars,

if it is actually used and occupied by such association and the net income from said property is used for charitable purposes in aid of needy soldiers of the war of the rebellion and their dependents; but it shall not be exempt for any year in which such association wilfully omits to bring in to the Assessors the list and statement required by Section forty-one.

6. The Bunker Hill Monument.

7. Houses of religious worship owned by, or held in trust for the use of any religious organization and the pews and furniture; but the exemption shall not extend to portions of such houses appropriated for purposes other than religious worship or instruction.

8. Cemeteries, tombs and rights of burial, so long as they shall be dedicated to the burial of the dead.

9. The property, to the amount of five hundred dollars, of a widow, of an unmarried woman above the age of twenty-one years, of a person above the age of seventy-five years or of any minor whose father is deceased, whether such property be owned by such persons, separately or jointly, or as tenants in common: provided that the whole estate real and personal of such person does not exceed in value the sum of one thousand dollars, exclusive of property otherwise exempted under the provisions of this section. No property shall be so exempt which the assessors shall adjudge has been conveyed to such person to evade taxation.

10. The polls and any portion of the estates of persons who by reason of age, infirmity and poverty are in the judgment of the assessors unable to contribute fully toward the public charges.

11. The wearing apparel and farming utensils of every person; his household furniture not exceeding one thousand dollars in value, and the necessary tools of a mechanic not exceeding three hundred dollars in value.

12. Mules, horses and neat cattle less than one year old, swine and sheep less than six months old and domestic fowls not exceeding fifteen dollars in value.

13. The property of the following classes of persons to the amount of two thousand dollars in the case of each person, provided the whole estate, real and personal, of the person so exempted does not exceed in value the sum of five thousand dollars, and provided further that only two thousand dollars shall be exempted to any one family, and that the combined property of the family does not exceed five thousand dollars: First, soldiers and sailors who served in the military or naval service of the United States in the war of the rebellion and who were honorably discharged therefrom, and who, by reason of injury received or disease contracted while in such service and in the line of duty, lost the sight of both eyes, or lost the sight of one eye, the sight of the other having been previously lost,

or who lost one or both feet, or one or both hands. Second, soldiers and sailors who served as aforesaid and were honorably discharged as aforesaid, and who, as the result of disabilities contracted while in such service and in the line of duty, have become permanently incapacitated for the performance of manual labor to an extent equivalent, in the judgment of the assessors to the loss of a hand or foot.

Third, Wives or widows of soldiers or sailors who would be entitled to exemption under either of the two preceeding paragraphs.

The amount of State tax as fixed by the State Tax Commissioner varies from year to year. In 1903, it was $2,500,000; in 1904, $2,500,000; in 1905, $4,000,000; in 1906, $3,500,000.

Total educational expenses for the year 1905, $847,228.52.

FUNDED DEBT.

Direct Debt:	
Total direct debt Jan. 1, 1905,	$30,809,750 00
Increased during the year by issue of bonds,	760,000 00
Total,	$31,569,750 00
Amount of Sinking Funds Jan. 1, 1905,	$15,233,154 89
Increase during the year,	2,120,829 84
Total,	$17,353,984 73
Net direct debt for State purposes, Jan. 1, 1906,	$14,215,765 27
Contingent Debt:	
The amount of the Contingent Debt Jan. 1, 1905, was	$64,989,412 00
Increased during the year by issue of bonds,	1,641,000 00
Total,	$66,630,412 00
Amount of Sinking Funds, Jan. 1, 1905,	$6,230,876 99
Increase during the year,	1,097,771 96
Total,	$7,328,648 95
Net Contingent Debt, Jan. 1, 1906,	$59,301,763 05

The debt incurred for State purposes is payable by the Commonwealth at large. The Contingent Debt is a loan of the credit of the Commonwealth to certain metropolitan districts for water, sewerage and parks, and to certain cities for the building of armories; and the interest and sinking fund requirements are annually assessed upon said cities and districts, no portion of the debt being a liability of the Commonwealth at large.

Amount of Taxes received from Corporations for year ending Dec. 31, 1905, $5,874,194.96.

MICHIGAN.

In the State of Michigan the State Revenue for the support of the general expenses of the State Government is derived, almost exclusively, from direct taxation. There are some small amounts derived from license fees and fees paid into the State Treasury from copies of records in the several departments, and interest on deposits of State money that go into the General Fund and help defray the expenses of the State, but the direct tax is the source of revenue intended to cover such expenses. These expenses are for salaries of State officials, and Boards and Commissions, the judiciary, and the running expenses of the various State institutions.

The rate for general taxation in 1905 was $2.45 on each $1,000 of valuation, and in 1906, is $2.11 on each $1,000 of valuation.

Properties paying Specific Taxes and properties assessed by the State Board of Assessors are exempt from general taxation. This class of properties is railroad companies, express companies, palace car companies, fast freight lines, car loaning companies, all assessed by the State Board of Assessors. Telegraph companies, telephone companies, canal companies, river improvement companies, and toll road companies pay a specific tax in lieu of general taxes.

The amount of the State Tax for 1906, is $3,338,185.29. The State has no indebtedness.

The amount of Tax charged in 1905 against Car Loaning, Refrigerator and Fast Freight Lines, Express and Railroad Companies was $3,360,121.37.

STATUTORY PROVISIONS.

Railroad and Depot Companies pay a "specific tax upon property and business." This tax is levied upon the basis of gross earnings as follows:

Two and one-half per cent. on gross income when earnings per mile of road in State are $2,000 or less.

Three and one quarter per cent. on gross income when earnings per mile of road in State are from $2,000 to $4,000.

Four per cent. on gross income when earnings per mile of road in State are from $4,000 to $6,000.

Four and one-half per cent. on gross income when earnings per mile of road in State are from $6,000 to $8,000.

Five per cent. on gross income when earnings per mile of road in State exceed $8,000.

Ten per cent. on gross income of depot companies in excess of $20,000 per mile.

Inter-State lines pay the tax on a pro rata mileage proportion of their gross income. The proceeds of railroad tax are devoted to the primary school fund.

The above State tax is in lieu of all other railroad taxes, except the tax locally assessed on such railroad property as is not employed for purposes of operation.

Freight Line, Sleeping and Parlor Car Companies pay a State tax of two and one-half per cent. on their gross receipts from business done in the State.

MINNESOTA.

The revenues for State purposes in this State are derived from the following sources and at the following rates.

A tax of 4 per cent. upon the gross earnings of all railroad companies; a tax of 3 per cent. upon the gross earnings of all telephone companies; a tax of 2 per cent. upon the gross premiums collected by all insurance companies; a tax of 6 per cent. upon the gross earnings of express companies, allowing these companies to deduct the amount paid to the railroad companies for transportation; a tax of 3 per cent. upon the gross earnings of sleeping car companies; a tax of 3 cents per net ton on vessels operating in international waters and enrolled in the State; also, a tax upon telegraph companies upon the value of their property and franchises as fixed by the State Board of Equalization.

The following property is exempt from taxation for State purposes

1. All public school houses, academies, colleges, universities and seminaries of learning, with their contents.
2. All houses used exclusively for public worship.
3. All lands used exclusively for public burying grounds or cemeteries.
4. All public property used exclusively for any public purpose.
5. All buildings belonging to institutions of purely public charity, including orphan asylums, homes for the indigent, and public hospitals, together with the land actually occupied.
6. All fire engines and other implements used for extinguishment of fires, with the buildings used for the safe-keeping thereof.
7. All public libraries and libraries used by corporations other than those for pecuniary purposes.
8. All armories, drill halls, and other buildings used exclusively for the benefit of any Company, regiment or incorporated military organization.
9. All property belonging to camp or grove meeting associations, Sunday school assemblies, etc.
10. All property belonging to and used exclusively for the purpose of any State, district or county agricultural society.

11. All buildings and other property used exclusively by beneficiary associations or fraternal beneficiary associations in carrying on their business, and all dues, assessments and other payments and the accumulations thereof, and the reserve, emergency and other mortuary funds of such associations.

12. All uniforms, arms and equipments, and, in addition thereto, other personal property of each member of the National Guard, to an amount not exceeding Two Hundred Dollars.

13. All personal property of each individual liable to assessment or taxation under the provisions of this chapter, to an amount not exceeding One Hundred Dollars in value.

The amount of State tax collected for the year ending July 31, 1905, for revenue purposes was $1,217,099.06; for State schools and universities, $1,001,256.35.

The State debt July 1, 1906 was $700,000.

MISSISSIPPI.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property, railroads and other corporations: Taxation shall be uniform on all property. But the Legislature may provide for a special mode of assessment for railroads and for other corporate property not situated wholly in one county. (Sec. 112.) The property of corporations shall be taxed in the same way and to the same extent as the property of individuals. Sec. 181.

STATUTE PROVISIONS.

Railroad Companies: (Annotated Code of Mississippi, secs. 3875-3876.)

Listing, valuation, etc.: Railroad companies are required to make annual reports to the State Railroad Commission, setting forth their property, taxable and non-taxable, their capital stock and receipts for the year and the values of their respective franchises. The Railroad Commission then assesses the property of these companies, taking into consideration the value of the franchise and of the capital stock engaged in business in the State. This valuation is apportioned among the counties for the computation and collection of the tax.

Privilege tax: (Laws of 1896, p. 44.) Railroads also pay the State an annual privilege tax. For this purpose they are divided into four classes, according to their gross earnings per mile for the year. The taxes levied on each class are as follows: First class, $20 per mile; second class, $15 per mile; third class, $10 per mile; narrow-guage class, $2 per mile.

Local taxation: Railroad real estate not directly employed for

traffic operations is locally assessed and taxed. There is also a local tax on the values apportioned by the State.

MISSOURI.

STATE REVENUE FUND.

The receipts into this fund are derived from the following sources, viz.:

First—Tax of 15 cents on the $100 valuation on real and personal property; property and assets of corporate companies; stock and undivided profits of banks and local insurance companies; largest amount of goods, wares and merchandise of merchants and the raw material, finished products, with tools, machinery and appliances of manufacturers, on hand at any one time between the first Monday in March and the first Monday in June; railroad, bridge, telegraph and telephone property; steamboats and other vessels, and liquors purchased by dramshop-keepers.

Second—Tax of 1 1-4 per cent. on gross receipts for business done in this State by express companies.

Third—One-half of the tax of 2 per cent. on the gross premiums collected in this State by insurance companies not organized under the laws of this State.

Fourth—License tax on auctioneers, brokers and exchange dealers, dramshops, peddlers, ferries and billiards and other tables.

Fifth—Tax of 1 1-2 per cent. on sales of dutiable goods by auctioneers.

Sixth—Fees paid by corporations, when articles of incorporation are issued, under section 21, article 10 of the Constitution.

Seventh—Interest on moneys in State depositories.

Eighth—Fees for services of Secretary of State, issuing commissions, etc., and of State Auditor, registering municipal bonds.

Ninth—Fees for commissions of notaries public.

Tenth—Receipts from sales of Statutes and Session Acts.

Eleventh—Receipts from fees for the inspection of beer.

Twelfth—Receipts from fines of packing house companies, etc.

Thirteenth—Sixty per cent. of fees collected by Excise Commissioner.

The classes of property exempt from taxes in this State will be found enumerated in Section 6, Article 10, of the Constitution, which are as follows:

The property, Real and Personal, of the State, Counties and other Municipal Corporations, and Cemeteries, shall be exempt from taxation. Lots in incorporated cities or towns, or within one mile of the limits of any such city or town, to the extent of one acre, with the

buildings thereon, may be exempt from taxation, when the same are used exclusively for religious worship, or schools, or for purposes purely charitable; also such property, Real and Personal, as may be used exclusively for agricultural or horticultural societies.

The total amount of State Tax, raised during the last fiscal year (1905) was $3,476,222.45.

The amount of State debt, at the close of the last fiscal year (1905), was $4,398,839.42. This debt consists of what the State Constitution, under a recent amendment, terms Certificates of Indebtedness, which are in the nature of due bills and held by the State Treasurer in trust for Common Schools and Seminary Funds, the State having spent money for State purposes from these funds and under the recent amendment of the Constitution this debt is made perpetual and draws 5 and 6 per cent. interest.

In 1904 there was paid to the Counties for support of Public Schools the sum of $1,285,530.07.

MONTANA.

CONSTITUTIONAL PROVISIONS.

Exemption of stocks: Stocks in any company shall not be taxed when the property represented by such stocks is taxed. (Article XII, sec. 17.)

Uniform tax on property—license taxes: Taxes shall be uniform upon the same class of subjects in the same jurisdiction. (Article XII, sec. 11.) The Legislature shall levy a uniform rate of assessment. All property shall be taxed at its just value. The Legislature may also impose a license tax on persons and corporations. (Article XII, sec. 1.)

Railroads: The franchise, roadway, roadbed, rails and rolling stock of all railroads operating in more than one county shall be assessed by the State Board of Equalization, and the valuation apportioned among the local districts on a pro rata mileage basis. (Article XII, sec. 16.)

STATUTE PROVISIONS.

Railroad Companies: (Booth's Montana Code, secs. 3996, 3737-3743.)

Listing, valuation, etc.: Railroad companies are required to make to the State full annual statements of their property of operation, capital stock, earnings and indebtedness. On the basis of these returns, the State Board of Equalization assesses franchise, roadbed, rails and rolling stock (whether owned, hired or leased.) The valuation thus determined is apportioned among the counties on a mileage basis for the computation and collection of the tax.

Local taxation: Railroad real estate not in the right of way, including stations and depots, is locally assessed. There is also a local tax on the values apportioned by the State. Railroads operating in a single county are locally assessed and taxed on their property and franchises. (Booth's Montana Code, sec. 3719.)

NEBRASKA.

The total receipts of the General Fund from Dec. 1902 to Nov. 30, 1904, were $7,306,194, which was raised by general taxation, office fees, interest on deposits, U. S. Government, etc.

In 1903 and 1904, the assessed valuation of property under the new revenue law for taxation purposes was as follows:

Real estate,	$184,348,142
Personal property,	110,373,246
Railroads,	46,082,852
Telegraph and telephone,	260,536
Pullman company,	94,710
Private car companies,	106,221
All other property,	1,034,019

STATE DEBT.

Statement showing the Bonded Indebtedness of Nebraska by Precincts and Counties, 1904.

Counties: Bonds.	
Amount unpaid,	$1,076,800
Precincts: Bonds.	
Amount unpaid,	4,020,437
Floating Debt of State:	
Amount bearing interest,	2,253,368

Property and franchise taxes are taxed according to their value in such manner as the Legislature shall direct.

Railroad Companies are required to make annual reports of their property and its value to the State. On the basis of these Reports the State Board of Equalization assesses all property of operation, and apportions the valuation thus determined among the Counties, where the tax is computed and collected.

Real and personal property of railroads, not in the right of way, is locally assessed and taxed. There is also a local tax on the values apportioned by the State.

NEVADA.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property: There shall be a uniform and equal rate of assessments and taxation on all property. (Article X, sec. 1.)

Corporations: All corporate property shall be subject to taxation the same as the property of individuals. (Article VIII, sec. 2.)

STATUTE PROVISIONS.

Railroad Companies: (Cutting's Compiled Laws of Nevada, 1861-1900, secs. 1236-1239.)

Listing, valuation, etc.: Railroad companies make annual returns of property, which is assessed by the State Board of Assessment and Equalization. The valuation determined by that Board is apportioned among the counties for the computation and collection of the tax. In fixing values, statute provision requires that the railroad property shall not be treated as so much "land covered by right of way" nor "as so much iron," but as a complete operated line of road. Rolling stock is valued and apportioned on a pro rata mileage basis.

Local taxation: All railroad property is locally taxed.

NEW HAMPSHIRE.

The revenues for State purposes are derived from the following sources:

State Tax, Railroad Tax, Insurance, License fees, Telegraph and Telephone Tax, fees (Secretary of State), Fines and Forfeitures, etc.

For the fiscal year ending May 31, 1905, there was collected for State purposes the sum of $581,707.75.

The rate of taxation varies from year to year and different counties pay different rates ranging from $1.63 to $2.20 on each $100 valuation.

State debt, June 1, 1905, was $788,960.28.

Railroads are exempted from taxation for a period of ten years after their construction.

The State Board of Equalization assesses all railroad property. The tax is levied on the value of road, rolling stock and equipment, and is in lieu of all taxes on stocks. Real Estate not in the right of way is locally assessed and taxed.

The total receipts for the year ending May 31, 1905, were $1,353,900.05, of which amount $386,141.40 was paid by Railroad Corporations and $398,325.67 by Savings Banks.

NEW JERSEY.

The sources of Revenue of this State for State purposes are taxes from Railroad Corporations, Miscellaneous Corporations, Fees from Secretary of State, Interest on Civil War Bonds, Collateral Inheritance Tax, Commissioner of Banking and Insurance, etc.

The rate of taxation varies on the different subjects or classes for taxation.

The State School Tax Fund is raised by direct taxation. The School Tax of 1905 was levied at a sum equal to two and three-fourths mills on each dollar of valuation of the taxable, Real and Personal property in the State as exhibited by the last abstract of ratables from the several Counties made out by the several Boards of Assessors and filed in the State Comptroller's office.

For the fiscal year ending Oct. 31, 1905, the Gross Receipts of the State Fund were $4,598,075.75, and of the State School Fund, $1,801,911.92.

The State Debt is $116,000.

Railroad Companies make annual returns of property, stock and indebtedness, upon the basis of which, in addition to Corporation books, etc., the State Board of Assessors set a valuation upon all railroad property and franchises. A tax of one half of one per cent. is levied on this valuation for State purposes. In addition to the State Tax, the State collects a tax at the local rate upon railroad real estate in each tax district, the proceeds of which are apportioned among the tax districts in which such property is situated. Other local railroad property not used for purposes of operation is locally assessed and taxed.

The amount of State Taxes collected from Railroad and Canal Corporations for the year ending Oct. 31, 1905, was $1,083,745.41.

NEW MEXICO.

STATUTE PROVISIONS.

Railroad Companies:

Exemption: Railroads are exempt from taxation for a period of six years after their completion. (Complied Laws of New Mexico, 1897, secs. 3880-3881.)

Taxation: Railroad property is assessed and taxed like the property of individuals. (Compiled Laws of New Mexico, 1897, sec. 4025.)

NEW YORK.

The sources from which the State of New York derives her revenues for State purposes are as follows:

Direct State Taxes, including special taxes for judges, stenographers, &c., tax on corporations, transfers of decedents' estates, transfers of stocks, trafficking in liquors, racing associations, lands of non-resident owners, sales of lands, State institutions (sales, private patients, &c.), fees of public officers (including fines and penalties), fees of notaries, interest on treasury deposits, insurance

department, bank department, railroad commission, U. S. Government for Soldiers' and Sailors' homes, principal and interest on bonds for Canal Debt Sinking Fund and interest on deposits for same, Proceeds of Sale of Barge Canal bonds, trust funds including principal and interest on bonds and miscellaneous sources.

The rate of taxation for State purposes is fixed by the State Board of Equalization and said rate varies from year to year.

Special exemption from taxation by Statutes is condemned in theory by Legislators, but adopted in practice by successive enactments of the Legislature. The exemptions are mainly for religious, educational, charitable and like beneficent purposes. The aggregate valuation of all classes of exempt property was in 1904, $1,327,914,982, of which the State itself was the owner of $69,502,912. State property is made subject to taxation for local purposes in the Adirondack region and in many municipalities, and for aid to district schools in several instances to a limited degree. Exclusive of the public property held in the State of New York by Federal, State, County and City Governments, and the public schools, every dollar of assessed property, except about $470,000,000, is taxed, by some method of taxation, for State purposes.

In 1905, all expenditures for educational purposes amounted to $5,866,593.60, of which amount $4,017,818.64 went to the support of the common schools.

On the 30th of September, 1905, the total debt of the State was $11,155,660.

Total receipts from the foregoing sources for the year ending September 30, 1905, $29,195,569.89, of which amount $6,974,811.49 was collected from Corporations.

NORTH CAROLINA.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property; franchise and income taxes: Taxation shall be by uniform rule on all property. The General Assembly may also lay taxes on franchises and income, provided the property from which income is derived is not taxed. (Article V, sec. 3.)

STATUTE PROVISIONS.

Railroad Companies: (Laws of 1899, Chapter 15 and Laws of 1900, p. 64.)

Listing, valuation, etc.: Railroad companies annually report their property of operation to the State Corporation Commission. The Commission determines the value of this property as if it were the property of individuals. Rolling stock is valued on a pro rata mileage basis. The final valuation is apportioned among the counties

for the computation of the tax. The tax for State purposes is paid directly into the State treasury. The Commission is empowered to examine books, papers, etc., in determining valuations.

Local taxation: Railroad property other than that of operation is locally assessed and taxed. There is also a local tax on the values apportioned by the State.

NORTH DAKOTA.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property: All property shall be taxed by a uniform rule according to its true value. (Sec. 176.)

Railroads: The franchises, roadway, roadbed, rails and rolling stock of railroads shall be assessed by the State Board of Equalization at its actual value, and such assessed valuation shall be apportioned among the local taxing districts on a pro rata mileage basis. (Sec. 179.) The Legislature may provide for the payment of a percentage of railway gross earnings in lieu of the above taxes on property, except the local taxes on property not in the right of way. (Sec. 176.)

Reports by railroad companies: Railroads shall make annual reports to the State as prescribed by law. (Sec. 140.)

STATUTE PROVISIONS.

Railroad Companies: (Revised Code of North Dakota, 1895, secs. 1331-1333.)

Listing, valuation, etc.: Railroad companies make annual returns of their property to the State Board of Equalization. On the basis of these returns, franchise, roadbed, roadway, rails and rolling stock used in the State are assessed at their actual value. Corporation books and papers, as well as witnesses, may be summoned to assist in determining valuations. The valuations are apportioned among the counties for the computation and collection of the tax.

Local taxation: Property other than that of operation is locally assessed and taxed. There is also a tax on the values apportioned by the State.

OHIO.

The receipts of the General Revenue Fund come entirely from excise and other sources of direct taxation, there being a property tax levied for State purposes of 1-35-100 mills which is levied on the grand duplicate of the State for the following purposes: Sinking Fund, 13-100 of a mill, the University Fund 22-100 and the State Common School Fund one mill.

The sources from which the General Revenue Fund derives its receipts are Excise Taxes, being 1 per cent. upon the gross receipts of all public service Corporations, Direct Inheritance Tax, being 2 per cent. upon the net inheritance, the Corporation Tax, being one-tenth of 1 per cent. upon the issued stock of all Corporations excepting those that pay under the excise tax laws, the Insurance Tax, the Liquor Traffic Tax, Show Licenses, Auction Duties, Cigarette and Collateral Inheritance Tax.

There is no particular class of property exempt from taxation for State purposes.

During the year ending November 15, 1905, there was collected the following:

General fund,	$6,307,271 31
Sinking fund,	398,245 35
Common school fund,	2,125,189 55
University fund,	467,470 45

There is practically no State debt. There are $1,665 of Bonds long since due and not bearing interest since due, that have never been presented for payment, which are supposed to be lost or destroyed.

The Constitution requires that all Property shall be taxed according to a uniform rate, and at its true cash value, and that all Corporate Property shall forever be taxed like that of individuals.

A Board of Appraisers, consisting of the Auditors of the different Counties Appraise Railroad Property. Annual Reports are made by all Companies. Based upon the facts contained therein all Property of Operation, Moneys and Credits, are assessed upon a pro rata mileage basis.

This valuation is apportioned among the Counties for computation and collection of the tax.

Railroads pay the State an Excise Tax of one-half of 1 per cent. annually, on the Gross Earnings from business done in the State, and upon inter-state Receipts upon a mileage proportion.

The values apportioned by the State are subject to a local tax, also the Real Estate of Railroad Companies not in the right of way.

The total amount of Excise Taxes assessed on the Railroad, Street Railway, Pullman, Freight, Electric Light, Artificial and Natural Gas, Telegraph and Telephone, Water, Express, Messenger and Pipe Line Corporations for the year 1905, was $1,813,669.45.

OKLAHOMA.

STATUTE PROVISIONS.

Railroad Companies: (Laws of 1895, pp. 224-229; see also Laws of 1889, p. 219.)

Listing, valuation, etc.: Railroad companies are required to make annual reports to the Territory. All property of operation, moneys and credits are assessed at their actual cash value by the Board of Railroad Assessors, who are empowered also to examine corporation books and records, and to summon witnesses, etc. The valuation determined upon is apportioned among the counties for the computation and collection of the tax. Cars used by a railroad, but not owned by it, are listed against the company to which they belong.

Local taxation: Real estate not in the right of way is locally assessed and taxed. There is also a local tax on the values apportioned by the State.

OREGON.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property: There shall be a uniform rate of assessment and taxation. All property shall be taxed at its just value. (Article IX, sec. 7.)

STATUTE PROVISIONS.

Transportation Companies: (Hill's Annotated Laws of Oregon, 1892, pp. 1281-1284.)

Transportation companies generally are assessed and taxed on their property in the same manner as individuals.

Railroad rolling stock, including all cars hired or leased, is annually reported by the managing officers of railroads at their places of business, and is apportioned among the counties on a pro rata mileage basis. Rolling stock engaged in inter-state business is assessed on a pro rata mileage portion.

RHODE ISLAND.

CONSTITUTIONAL PROVISIONS.

Taxation: The general assembly shall provide for the assessment of taxes as it may think best.

STATUTE PROVISIONS.

Railroad Companies:

Railroad companies are taxed on their property in the same manner as individuals. No express provision is made for railroad taxation in the law of the State.

SOUTH CAROLINA.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property: There shall be a uniform and equal rate of assessment and taxation. All property shall be taxed at its just value. (Art. IX, sec. 1.)

Corporations: The property of corporations shall be subject to taxation. (Art. XII, sec. 1.)

STATUTE PROVISIONS.

Railroad Companies: (Revised Statutes of South Carolina, 1893, pp. 96-97.)

Listing, valuation, etc.: Railroad companies are required annually to list with the Comptroller-General of the State their entire property of operation, moneys, credits, etc. Annual reports are made also to the county auditors of property within the various counties. The Comptroller-General is empowered to examine corporation books, papers, etc. A valuation is set upon the property as listed by the State Board of Assessors, and the valuation thus determined is apportioned among the counties for the computation and collection of the tax.

Local taxation: Railroad real estate not in the right of way is locally assessed and taxed. There is also a local tax on the values apportioned by the State.

SOUTH DAKOTA.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property; Corporations: All taxes shall be uniform on all property. Corporate property shall be assessed and taxed as near as may be like individual property. (Art. XI, sec. 2.)

Railroad reports: Railroad companies shall make annual reports to the State, as by law prescribed. (Art. XVII, sec. 12.)

STATUTE PROVISIONS.

Railroad Companies:

Listing, valuation, etc.: Railroad companies make annual reports to the State Board of Assessment and Equalization of their earnings and property of operation. On the basis of these returns a valuation is reached, taking into consideration gross and net earnings, and is apportioned among the counties for the computation and collection of the tax.

Local taxation: All railroad property other than that of operation is locally assessed and taxed. There is also a local tax on the values apportioned by the State.

TENNESSEE.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property: All property shall be taxed uniformly according to its value, as the Legislature shall direct. (Art. II, sec. 28.)

Railroad Companies: (Laws of 1897, Chap. 5.)

Listing, valuation, etc.: Railroad companies file annual schedules of property, stock, indebtedness and earnings with the State Railroad Commission, by whom a valuation is set upon railroad property, with due regard for franchises, stock, bonds and earnings. The valuation thus determined is examined by the State Board of Equalization and certified to the State Comptroller. These taxes are paid into the State treasury.

In reaching a valuation the Railroad Commission has power to examine corporation books and papers. Railroad property having actual situs is known as localized property, and that, having no actual situs, is known as distributable property, and is valued on a pro rata mileage basis.

Railroad companies not paying the State ad valorem tax pay an annual tax, as follows: Companies controlling or operating 400 miles or more of road pay $10,000 for business done in the State; from 100 to 400 miles, $5,000; from 25 to 100 miles, $1,000; less than 25 miles, $100. (Laws of 1897, pp. 74-77.)

Local taxation: Railroad real estate and personalty (having actual situs) are locally assessed and taxed.

Each county through which a railroad runs its lines may levy a tax of $500 against such company, and each incorporated town a tax of $25. (Laws of 1897, chap. 5.)

Railroad terminal companies, in counties of 90,000 inhabitants or over, pay a tax of $500; in counties of 70,000 to 90,000 inhabitants, $400, and in counties of 50,000 to 70,000, $300. (Laws of 1897, pp. 74-77.)

TEXAS.

CONSTITUTIONAL PROVISIONS.

Taxation shall be equal and uniform. All property in the State shall be taxed. The Legislature may also impose license and income taxes.

All railroad property shall be assessed in the several Counties. Rolling stock may be assessed in gross in the County where a Company's principal office is located, the resulting tax to be apportioned by the Comptroller among the Counties on a pro rata mileage basis. All railroad property shall bear its proportional share of municipal taxation.

STATUTORY PROVISIONS.

Railroad Companies pay ad valorem taxes on their franchises and upon all property owned by them in the State, each County through which a road runs assessing and collecting the State and County Taxes on the number of miles of line and superstructure within its

limits. Railroad Companies also pay to the State an occupation tax of 1 per cent. on gross receipts from passenger travel. The tax is paid quarterly to the Comptroller on a sworn statement by authorized officers of the various Companies. Steamboat and Stage Companies pay the same tax.

The sources from which revenues are derived in the State of Texas are as follows:

Collection from Tax Rolls (ad valorem taxes on all property subject to taxation), Collections from State Departments, such as office fees, charter fees, franchise Taxes, Gross Receipts or Income Taxes, Occupation and Poll Taxes.

Rate of Taxation: State ad valorem 20 cents on the $100 valuation; State School 18 cents on the $100 valuation.

Revenues collected for the year 1905, State Revenue, $3,450,967.08; School, $4,116,772.55.

Bonded debt, $3,989,400.

UTAH.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property: There shall be a uniform and equal rate of assessment and taxation on all property in the State. Every person and corporation shall be taxed in proportion to value of property. (Article XIII, sec. 3.)

All persons and corporations doing business in the State shall be subject to taxation for State and local purposes on all their property. (Article XIV, sec. 10.)

Rolling stock shall be considered and taxed as personalty. (Article XII, sec. 14.)

STATUTE PROVISIONS.

Railroad Companies: (Laws of 1899, pp. 102-103.)

Listing, valuation, etc.: The officials of railroads operating in more than one county are required to make annual reports to the State, setting forth all their property and its value. On the basis of these reports the various companies are assessed by the State Board of Equalization on their property and franchises. Rolling stock is valued on a pro rata mileage basis. The total valuation is apportioned among the counties for the computation and collection of the tax.

Local taxation: Railroad lands not employed for operating purposes are locally assessed and taxed. There is also a local tax on the values apportioned by the State.

VERMONT.

STATUTORY PROVISIONS.

Railroad Companies are required to make full returns, not more frequently than biennially, to the Commissioner of State Taxes, who appraises the value of the railroad property, including the Corporate franchise. In the case of inter-state roads, the valuation is determined on a pro rata mileage basis. The rate of the tax is seven-tenths of 1 per cent. Railroad Companies may pay in lieu of the tax on property and franchise a tax of 2 1-2 per cent. on gross earnings from business done in the State, including a pro rata mileage portion of the inter-state earnings.

LOCAL TAXATION.

The real and personal estate of all transportation companies not used for operating purposes is appraised by the listers of the towns like the property of individuals.

VIRGINIA.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property: Taxes shall be uniform. All property shall be taxed according to its value. (Article X, sec. 1.)

STATUTE PROVISIONS.

Railroad Companies: (Laws of 1897, 1898, pp. 70-80; also Code of 1887, sec. 1312.)

Listing, valuation, etc.: Railroad companies are required to make annual returns to the auditor of public accounts, setting forth their entire property and their gross receipts and net earnings from operation. The auditor is empowered to examine corporation books and papers. The board of public works appraises all railroad property. The taxes on this appraisement are paid into the State treasury.

Gross receipt taxes: Railroad companies also pay a tax on gross receipts to pay the expenses of the railroad commission.

Local taxation: Railroad real estate not in the right of way, including depots and other buildings, is locally assessed and taxed.

Canal Companies:

These companies are assessed and taxed on their property like railroads.

WASHINGTON.

CONSTITUTIONAL PROVISIONS.

Uniform tax on property: There shall be a uniform and equal rate of assessment and taxation of all property in the State. (Article VII, sec. 2.)

Corporations: Corporate property shall be taxed as nearly as may be by the same methods as are followed in taxing individual property. (Article VII, sec. 3.)

Rolling stock: shall be considered and taxed as personal property. (Article XII, sec. 17.)

STATUTE PROVISIONS.

Railroad Companies: (Laws of 1897, pp. 149-153.)

Listing, valuation, etc.: Railroad companies are required to return to the State auditor schedules of their entire property of operation, capital stock, earnings, expenses, and indebtedness. The property is then assessed for State taxes by the State Board of Equalization.

Local taxation: Railroads are locally assessed and taxed on all their property, on the basis of annual lists which they are required to make in each county. Rolling stock is valued on a pro rata mileage basis.

Express, Transportation and Stage Companies: (Laws of 1897, p. 142.)

These companies are taxed on their personalty in the counties where it is kept.

WEST VIRGINIA.

The State Fund raised, amounts to about $2,000,000, per annum.

In this State the following Classes of Personal Property are subject to taxation:

Horses, Mules, Cattle, Sheep, Hogs, Agricultural Products, Carriages, Watches and Clocks, Pianos, Household Goods, etc. Taxation is uniform and equal, on all Property throughout the State.

Railroad Companies are required to make detailed annual Reports to the State Auditor, setting forth property of operation, capital stock, Bonded debt, Earnings and Expenditures. On the basis of these returns, after approval by the Board of Public Works, who have access to the corporation books and papers and may examine corporation witnesses, the State Auditor sets a valuation upon railroad property and apportions the same among the local tax districts, where the tax is computed at the usual rate and certified to the State Auditor. The total taxes are then paid into the State treasury.

Railroad Real Estate not employed for purposes of operation is locally assessed and taxed. Each local district also receives its share of the taxes paid into the State treasury.

WISCONSIN.

GENERAL FUND.

This Fund embraces all the Revenues of the State applicable to the payment of the ordinary expenses of the State Government.

The sources from which it is derived are, a General Fund Tax, a Tax on civil actions, a Tax on legacies, license of Railroad Companies, Log Driving and Booming Companies, Telegraph and Telephone Companies, Street Railway and Electric Light Companies, Insurance Companies and Hawkers and Peddlers; fees received from Notaries Public, from various State offices and from the sale of books and reports.

The expenditures therefrom are authorized by permanent and temporary appropriations, and by the several laws requiring the Secretary of State to audit accounts.

The total receipts of the General Fund for the fiscal year ending June 30, 1904, were $3,227,631.18, out of which was disbursed to the Common Schools $110,687.86; to the State University $486,836.25; to Normal Schools $273,103.80; to Free High Schools $97,437.95.

To the total receipt of the General Fund for the year 1904 there was paid as a License Tax by Railroad Companies, $1,913,396.28; Street Railway and Electric Light Companies, $12,671.35; Telegraph Companies, $13,067.46; Telephone Companies, $44,398.22; Fire Insurance Companies, $157,799.83; Life Insurance Companies, $330,-464.41; Loan and Trust Companies, $3,090.43.

There is no special exemption from taxation for State purposes in the State of Wisconsin.

STATE DEBT.

The distribution of debt June 30, 1904, was as follows:

Certificates of Indebtedness:	
School fund,	$1,563,700
Normal School fund,	515,700
University fund,	111,000
Agricultural College fund,	60,600
Total,	$2,251,000

CONSTITUTIONAL PROVISIONS.

Taxes are uniform, and upon such Property as the Legislature may from time to time prescribe.

STATUTORY PROVISIONS.

Railroad Companies make Returns to the State Treasurer of Gross Earnings, specifying them per mile of line. License Fees are then levied as follows:

Four per cent. or 40 mills on total gross earnings of $3,000 or more per mile; 3 1-2 per cent. or 35 mills on total gross earnings between $2,500 and $3,000 per mile; 3 per cent. or 30 mills on total gross earnings between $2,000 and $2,500 per mile; 2 1-2 per cent. or 25 mills on the excess above $1,500 per mile; plus $5.00 per mile when gross earnings are between $1,500 and $2,000 per mile; and $5.00 per mile when less than $1,500 per mile.

Railroads built on pile or pontoon bridges pay at the special rate of 2 per cent. or 20 mills on their Gross Earnings.

There is no Local Tax on Railroads, except that Lands owned by them, not used for Railroad purposes, are assessed and taxed like property of individuals.

WYOMING.

CONSTITUTIONAL PROVISIONS.

Uniform taxation, listing, etc.: All taxation shall be equal and uniform. (Article I, sec. 28.)

All lands and improvements thereon shall be listed and assessed separately. (Article XV, sec. 1.)

Railroads: There shall be a State Board, consisting of the Auditor, Treasurer and Secretary of State, which shall assess at their actual value the franchises, roadway, roadbed, rails and rolling stock of all railroads and other common carriers. This valuation shall be apportioned among the counties as the basis of taxation. (Article XV, sec. 10.)

Reports of railroad companies: All railroads operating in the State must make annual reports of their business, as the Legislature may prescribe. (Article X, sec. 3.)

STATUTE PROVISIONS.

Railroad Companies: (Revised Statutes of Wyoming, 1899, secs. 1794-1797.)

Listing, valuation, etc.: Railroad Companies are required to make annual reports to the State Board of Equalization, setting forth all property of operation. On the basis of these reports a valuation is determined, covering property and franchises, and is apportioned among the local districts for the computation and collection of the tax.

Local taxation: Railroad real estate not employed for purposes of operation is locally assessed and taxed. There is also a local tax on the values apportioned by the State.

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